

Old Mutual Specialist Funds
Annual Report and Financial Statements
For the year ended 31 December 2013

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Fund information

Authorised Corporate Director

Old Mutual Investment Management Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4AJ

Authorised and regulated by the Financial Conduct Authority.

Directors of the ACD

JDF Ide
JE Millard (resigned 10 January 2013)
M Dean (appointed 1 January 2013)
PJR Nathan

Depositary

National Westminster Bank Plc
135 Bishopsgate
London
EC2M 3UR

Authorised and regulated by the Financial Conduct Authority.

Legal Advisers

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditor

KPMG Audit Plc
20 Saltire Court
Edinburgh
EH1 2EG

Administrator

Citibank NA London Branch
Citigroup Centre
Canada Square
Canary Wharf
London
EC14 5LB

Registrar

Citibank NA London Branch
PO Box 27061
227 West George Street
Glasgow
G2 9GT

Authorised and regulated by the Financial Conduct Authority.

(The register of shareholders can be inspected at the Registrar's Glasgow office,
145 St Vincent Street, 4th Floor, Glasgow, G2 5JF)

Risk Monitoring Provider

Citibank NA London Branch
Citigroup Centre
Canada Square
Canary Wharf
London
EC14 5LB

Investment Manager

Old Mutual Investment Management Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4V 4AJ

Authorised and regulated by the Financial Conduct Authority.

Fund information (continued)

Investment advisers

Old Mutual Aberdeen Asia Pacific Fund:

Aberdeen Asset Managers Limited
10 Queens Terrace
Aberdeen AB10 1YG

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Artemis Strategic Bond Fund:

Artemis Investment Management LLP
Cassini House,
57 St James's Street,
London,
SW1A 1LD

Authorised and regulated by the Financial Conduct Authority.

Old Mutual BlackRock Gold & General Fund:

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Bond 1 Fund

TwentyFour Asset Management LLP
24 Cornhill
London
EC3V 3ND

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Bond 2 Fund:

FIL Pensions Management Limited
Oakhill House, 130 Tonbridge Road
Hilendborough, Tonbridge
Kent
TN11 9DZ

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Bond 3

DuPont Capital Management Corporation
Delaware Corporate Center
1 Righter Parkway
Suite 3200
Wilmington
DE 19803
USA

Regulated by the US Securities and Exchange Commission

Old Mutual Fidelity Global Focus Fund:

FIL Pensions Management Limited
Oakhill House, 130 Tonbridge Road
Hildenborough
Tonbridge
Kent TN11 9DZ

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Fidelity Moneybuilder Income Fund:

FIL Pensions Management Limited
Oakhill House, 130 Tonbridge Road
Hildenborough
Tonbridge
Kent TN11 9DZ

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Fidelity Strategic Bond Fund:

FIL Pensions Management
Oakhill House, 130 Tonbridge Road
Hildenborough
Tonbridge
Kent TN11 9DZ

Authorised and regulated by the Financial Conduct Authority.

Fund information (continued)

Old Mutual Gilt Fund:

BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Global Property Securities Fund:

Heitman Real Estate Securities LLC
191 North Wacker Drive
Suite 2500
Chicago
IL 60606
USA

Regulated by the US Securities and Exchange Commission.

Cohen & Steers Capital Management Inc.
280 Park Avenue
New York
NY 10017
USA

Ceased 6 June 2013

Old Mutual Henderson China Opportunities Fund:

Henderson Global Investors Limited
201 Bishopsgate
London EC2M 3AE

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Henderson European Growth Fund:

Henderson Global Investors Limited
201 Bishopsgate
London EC2M 3AE

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Invesco Perpetual Asian Fund:

Invesco Asset Management Limited
30 Finsbury Square
London EC2A 1AG

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Invesco Perpetual Corporate Bond Fund:

Invesco Asset Management Limited
30 Finsbury Square
London EC2A 1AG

Authorised and regulated by the Financial Conduct Authority.

Old Mutual JPM Emerging Markets Fund:

JPMorgan Asset Management (UK) Limited
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ

Authorised and regulated by the Financial Conduct Authority.

Old Mutual JPM Natural Resources Fund:

JPMorgan Asset Management (UK) Limited
Finsbury Dials
20 Finsbury Street
London EC2Y 9AQ

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Newton Global Higher Income Fund:

Newton Investment Management Limited (sub-adviser)
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Schroder Tokyo Fund:

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Schroder US Mid Cap Fund:

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA

Authorised and regulated by the Financial Conduct Authority.

Fund Information (continued)

Old Mutual Threadneedle American Select Fund:

Threadneedle Asset Management Limited
60 St Mary Axe
London EC3A 8JQ

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Threadneedle European Select Fund:

Threadneedle Asset Management Limited
60 St Mary Axe
London EC3A 8JQ

Authorised and regulated by the Financial Conduct Authority

Old Mutual Threadneedle High Yield Bond Fund:

Threadneedle Asset Management Limited
60 St Mary Axe
London EC3A 8JQ

Authorised and regulated by the Financial Conduct Authority

Report of the Directors of Old Mutual Specialist Funds

Directors' report

The Directors present their report and financial statements for the Old Mutual Specialist Funds ("the Fund") for the year from 1 January 2013 to 31 December 2013. The Fund was launched on 19 April 2002 and shares for each sub-fund were first offered for sale at 50 pence/cents each. USD accumulation shares in Old Mutual Global Property Securities Fund (formerly Skandia Global Real Estate Securities (LaSalle) Fund) were first offered on 29 June 2007 at the USD equivalent of the sterling price on that day.

Authorised status

The Fund is an Open-Ended Investment Company incorporated as an Investment Company with Variable Capital. It is a UCITS scheme for the purposes of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the COLL").

Liability

If the Fund is unable to meet liabilities attributed to any particular sub-fund out of the assets attributed to that sub-fund, excess liabilities may have to be met out of the assets attributable to the other sub-funds. The shareholders have no interest in the scheme property and are not liable for the debts of the Fund.

Renaming the Fund's existing share classes

The Fund renamed the Accumulation shares held by its sub-funds from 'Accumulation' to 'Accumulation 'A''. The Fund also renamed the Income shares held by its sub-funds from 'Income' to 'Income 'A''.

There have been no changes made to the Authorised Corporate Directors's charges on these shares as a result of the name change.

New sub-fund launches

The Fund has launched the following sub-funds since the 31 December 2012 annual accounting period.

Sub-fund name	Launch date
Old Mutual Aberdeen Asia Pacific Fund	17 July 2013
Old Mutual Artemis Strategic Bond Fund	12 April 2013
Old Mutual BlackRock Gold & General	30 April 2013
Old Mutual Fidelity Global Focus Fund	12 April 2013
Old Mutual Fidelity Moneybuilder Income Fund	14 November 2013
Old Mutual Fidelity Strategic Bond Fund	30 April 2013
Old Mutual Henderson China Opportunities Fund	26 April 2013
Old Mutual Henderson European Growth Fund	1 March 2013
Old Mutual Invesco Perpetual Asian Fund	10 July 2013
Old Mutual Invesco Perpetual Corporate Bond Fund	28 May 2013
Old Mutual JPM Emerging Markets Fund	26 April 2013
Old Mutual JPM Natural Resources Fund	30 April 2013
Old Mutual Newton Global Higher Income Fund	26 April 2013
Old Mutual Schroder Tokyo Fund	1 March 2013
Old Mutual Schroder US Mid Cap Fund	1 March 2013
Old Mutual Threadneedle American Select Fund	1 March 2013
Old Mutual Threadneedle European Select Fund	12 April 2013
Old Mutual Threadneedle High Yield Bond Fund	24 April 2013

In addition, the Fund has launched the following sub-funds since the 31 December 2013 accounting period.

Old Mutual World Index Fund	25 February 2014
Old Mutual Foundation 3 Fund	27 February 2014
Old Mutual Foundation 4 Fund	27 February 2014
Old Mutual Foundation 5 Fund	27 February 2014

Retail distribution review share class launch

Due to the Retail Distribution Review (RDR) and its requirements becoming effective on 31 December 2012, the Fund has launched a new 'R' share class for some of its sub-funds.

The new R (GBP) Income shares are predominantly offered to platforms and independent financial advisers whose business is not eligible for commission, and who in the ACD's reasonable opinion are able to subscribe an amount in excess of the investment minimum of £5,000,000.

'R' shares were launched by the sub-fund, Old Mutual Global Property Securities Fund on 22 February 2013, by the sub-fund Old Mutual Gilt Fund on 24 May 2013 and by the sub-fund Old Mutual Bond 3 on 2 August 2013.

Share class launch

The Fund has launched new 'U2' share classes for its sub-funds.

The new 'U2' shares are offered only as an investment through designated financial intermediaries and who have agreed specific terms of business with the ACD.

At the Balance sheet date, there have been no subscriptions to the 'U2' share class.

Report of the Directors of Old Mutual Specialist Funds (continued)

Additional information

The Fund is an umbrella scheme. It comprises a number of sub-funds which have their own investment objective and policy and its investment borrowing powers and restrictions are prescribed by the OEIC Regulations 2001 and "the COLL".

As at 31 December 2013 the Fund had the following 24 sub-funds.

Sub-fund name	Launch date
Old Mutual Aberdeen Asia Pacific Fund	17 July 2013
Old Mutual Artemis Strategic Bond Fund	12 April 2013
Old Mutual BlackRock Gold & General	30 April 2013
Old Mutual Bond 1 Fund	20 August 2003
Old Mutual Bond 2 Fund	19 April 2002
Old Mutual Bond 3 Fund	14 January 2005
Old Mutual Fidelity Global Focus Fund	12 April 2013
Old Mutual Fidelity Moneybuilder Income Fund	14 November 2013
Old Mutual Fidelity Strategic Bond Fund	30 April 2013
Old Mutual Gilt Fund	5 February 2003
Old Mutual Global Properties Securities Fund	3 October 2005
Old Mutual Henderson China Opportunities Fund	26 April 2013
Old Mutual Henderson European Growth Fund	1 March 2013
Old Mutual Invesco Perpetual Asian Fund	10 July 2013
Old Mutual Invesco Perpetual Corporate Bond Fund	28 May 2013
Old Mutual JPM Emerging Markets Fund	26 April 2013
Old Mutual JPM Natural Resources Fund	30 April 2013
Old Mutual Newton Global Higher Income Fund	26 April 2013
Old Mutual Schroder Tokyo Fund	1 March 2013
Old Mutual Schroder US Mid Cap Fund	1 March 2013
Old Mutual Threadneedle American Select Fund	1 March 2013
Old Mutual Threadneedle European Select Fund	12 April 2013
Old Mutual Threadneedle High Yield Bond Fund	24 April 2013
Old Mutual Japan Alpha Fund	No shares in this sub-fund are currently in issue.

In accordance with the requirements of the Financial Services and Market Act 2000, we hereby certify these financial statements on behalf of the Authorised Corporate Director.

Non Adjusting Post Balance Sheet Event

Since the last business day of the accounting period, the following sub-fund's quoted bid prices have risen / (fallen) by more than 5% as shown below:

	Bid prices as at 31.03.14	Bid prices as at 31.12.13	Rise/(Fall) %
Old Mutual BlackRock Gold & General – Accumulation 'A'	79.13p	70.48p	12.27%
Old Mutual Schroder Tokyo Fund – Accumulation 'A'	102.40p	108.33p	(5.47)%


J Ide
Director
Old Mutual Investment Management Limited


P J R Nathan
Director
Old Mutual Investment Management Limited

1 April 2014

1 April 2014

Authorised Corporate Director's report

The purpose of this report is to provide details of the progress of the Fund, and its sub-funds contained within. The report provides details of the performance and the portfolio of each of the sub-funds.

Net asset value of sub-funds

	31 December 2013			31 December 2012		
	Net asset value of sub-fund	Shares in issue	Net asset value per share	Net asset value of sub-fund	Shares in issue	Net asset value per share
Old Mutual Aberdeen Asia Pacific Fund – Accumulation 'A'*	£17,502,959	19,185,378	91.23p	-	-	-
Old Mutual Aberdeen Asia Pacific Fund – EUR Accumulation 'A'*	£29,762,925	37,549,799	79.26p	-	-	-
Old Mutual Artemis Starategic Bond Fund – Income 'A'*	£13,368,851	130,052,591	102.42p	-	-	-
Old Mutual BlackRock Gold & General Fund – Accumulation 'A'*	£31,425,631	44,589,035	70.48p	-	-	-
Old Mutual Bond 1 Fund – Income 'A'	£284,725,399	619,707,221	45.95p	£216,347,305	492,660,893	43.91p
Old Mutual Bond 2 Fund – Accumulation 'A'	£213,209,839	285,634,303	74.64p	£223,804,650	296,450,204	75.49p
Old Mutual Bond 2 Fund – Income 'A'	£9,676,069	22,770,792	42.49p	£22,017,334	48,797,200	45.12p
Old Mutual Bond 3 Fund – Income 'A'	£168,529,380	408,819,294	41.22p	£151,542,947	352,555,121	42.98p
Old Mutual Bond 3 Fund – Income 'R'*	£21,396	51,539	41.59p	-	-	-
Old Mutual Fidelity Global Focus Fund – Accumulation 'A'*	£31,869,541	30,111,680	105.84p	-	-	-
Old Mutual Fidelity Moneybuilder Income Fund – Income 'A'*	£45,533,604	46,311,939	98.32p	-	-	-
Old Mutual Fidelity Strategic Bond Fund – Income 'A'*	£25,706,064	26,733,837	96.16p	-	-	-
Old Mutual Gilt Fund – Income 'A'	£119,494,020	171,417,032	69.71p	£1,667,106	2,441,241	68.29p
Old Mutual Gilt Fund – Accumulation 'A'	£797,765	1,275,097	62.57p	£171,965,236	232,888,595	73.84p
Old Mutual Gilt Fund – Income 'R'*	£70,991	113,195	62.72p	-	-	-
Old Mutual Global Property Securities Fund – Income 'A'	£54,926,118	156,521,297	35.09p	£67,567,590	196,662,990	34.36p
Old Mutual Global Property Securities Fund – US\$ Accumulation 'A'	£6,750,181	23,630,901	28.57p	£7,321,529	25,521,637	28.69p
Old Mutual Global Property Securities Fund – Income 'R'*	£1,570,186	4,928,735	31.86p	-	-	-
Old Mutual Henderson China Opportunities Fund – Accumulation 'A'*	£57,168,614	52,289,451	109.33p	-	-	-
Old Mutual Henderson European Growth Fund – Accumulation 'A'*	£44,348,184	40,248,072	110.19p	-	-	-
Old Mutual Invesco Perpetual Asian Fund – Accumulation 'A'*	£20,345,274	20,305,931	100.19p	-	-	-
Old Mutual Invesco Perpetual Corporate Bond Fund – Income 'A'*	£105,829,795	107,510,238	98.44p	-	-	-
Old Mutual JPM Emerging Markets Fund– Accumulation 'A'*	£8,586,773	9,494,903	90.44p	-	-	-
Old Mutual JPM Natural Resources Fund– Accumulation 'A'*	£44,165,755	46,378,563	95.23p	-	-	-
Old Mutual Newton Global Higher Income Fund– Income 'A'*	£51,687,117	52,534,814	98.39p	-	-	-
Old Mutual Schroder Tokyo Fund– Accumulation 'A'*	£40,512,197	37,398,324	108.33p	-	-	-
Old Mutual Schroder US Mid Cap Fund– Accumulation 'A'*	£15,757,831	13,841,603	113.84p	-	-	-
Old Mutual Threadneedle American Select Fund – Accumulation 'A'*	£45,053,443	40,002,954	112.63p	-	-	-
Old Mutual Threadneedle European Select Fund – Accumulation 'A'*	£12,021,292	11,522,291	104.33p	-	-	-
Old Mutual Threadneedle High Yield Bond Fund– Income 'A'*	£37,962,491	37,521,650	101.17p	-	-	-

* For the launch date of the sub-fund or share class, see the Report of the Directors of Old Mutual Specialist Funds on page 10.

Statement of the Authorised Corporate Director's responsibilities

The OEIC Regulations 2001 and the Regulations, as issued and amended by the Financial Conduct Authority, require the Authorised Corporate Director (ACD) to prepare financial statements for each interim and annual accounting period which give a true and fair view of the financial affairs of the Company and of its net revenue/(expense) and the net gains/(losses) on the property of the Fund for the year. In preparing the financial statements, the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the accounting requirements of the Statement of Recommended Practice 'Financial Statements of Authorised Funds' issued by the Investment Management Association ("IMA") in October 2010;
- follow generally accepted United Kingdom accounting principles and standards and applicable United Kingdom laws;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with the above requirements; and
- take reasonable steps for the detection and prevention of fraud and non-compliance with laws or regulations.

The ACD is responsible for the management of the Fund in accordance with the Regulations, the Prospectus and the Instrument of Incorporation.

Statement of the Depositary's responsibilities and the report of the Depositary to the shareholders of Old Mutual Specialist Funds ICVC ("the Company")

for the year from 1 January 2013 to 31 December 2013.

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

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL'), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, ('the OEIC Regulations'), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company, and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
Depositary
1 April 2014

Independent Auditor's Report to the Shareholders of Old Mutual Specialist Funds ICVC ("the Company")

We have audited the financial statements of the Company for the year ended 31 December 2013 which comprise the Statement of Total Return, the Statement of Changes in Shareholders' Net Assets, the Balance Sheet together with the related notes and Distribution Table. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director ("the ACD") and Old Mutual Investment Management Limited and auditor

As explained more fully in the Statement of ACD's Responsibilities set out on page 13 the ACD is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Company as at 31 December 2013 and of the net revenue and the net capital losses on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds and the COLL Rules.

Opinion on other matters prescribed by the COLL Rules

In our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

We have received all of the information and explanations which we consider necessary for the purposes of the audit.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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



Catherine Burnet
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
20 Saltire Court
Edinburgh
EH1 2EG

1 April 2014

Aggregated statement of total return

for the year from 1 January 2013 to 31 December 2013

		01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
	Notes				
Income					
Net capital (losses)/gains	2		(11,071)		73,810
Revenue	3	60,371		42,226	
Expenses	4	(16,306)		(8,558)	
Finance costs: Interest	6	(33)		(21)	
Net revenue before taxation		44,032		33,647	
Taxation	5	(816)		(220)	
Net revenue after taxation			43,216		33,427
Total return before distributions			32,145		107,237
Finance costs: Distributions	6		(55,271)		(43,906)
Change in net assets attributable to shareholders from investment activities			(23,126)		63,331

Aggregated statement of change in net assets attributable to shareholders

for the year from 1 January 2013 to 31 December 2013

	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Opening net assets attributable to shareholders		862,233		747,821
Amounts received on issue of shares	988,174		197,173	
Amounts paid on cancellation of shares	(303,129)		(160,217)	
		688,045		36,956
Unclaimed distributions		8		-
Stamp duty reserve tax		(35)		(2)
Change in net assets attributable to shareholders from investment activities		(23,126)		63,331
Retained distribution on accumulation shares		14,254		14,127
Closing net assets attributable to shareholders		1,538,379		862,233

The notes on pages 18 to 26 form an integral part of these financial statements.

Aggregated balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets					
Investment assets			1,487,210		820,862
Debtors	7	19,239		14,376	
Cash and bank balances	8	51,165		45,796	
Total other assets			70,404		60,172
Total assets			1,557,614		881,034
Liabilities					
Investment liabilities			(898)		(2,812)
Creditors	9	(8,224)		(9,245)	
Bank overdrafts		(1,393)		(220)	
Distribution payable on income shares		(8,720)		(6,524)	
Total other liabilities			(18,337)		(15,989)
Total liabilities			(19,235)		(18,801)
Net assets attributable to shareholders			1,538,379		862,233

The notes on pages 18 to 26 form an integral part of these financial statements.

Notes to the aggregated financial statements

for the year from 1 January 2013 to 31 December 2013

1 Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments in accordance with applicable United Kingdom accounting principles, and in accordance with the Statement of Recommended Practice 'Financial Statements of Authorised Funds', issued by the IMA in October 2010.

b) Recognition of revenue

Dividends on quoted ordinary shares, preference shares and distributions on holdings in Collective Investment Schemes are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared. Nominal interest on interest bearing securities and bank interest are recognised on an accruals basis. Accrued interest purchased and sold on interest bearing securities is excluded from the capital cost of these securities and dealt with as part of the revenue of the Fund. Revenue arising on debt securities that are issued at a significant discount/premium to the maturity value is amortised or accumulated over the life of such securities and recognised at a consistent rate over the life of the instrument. Revenue arising on fixed income securities has been accounted for on an effective yield basis. This basis uses the effective interest rate of the security to discount exactly the expected stream of future cash flows to the current net carrying value of the security. All distributions from accumulation holdings in Collective Investment Schemes are treated as revenue. Equalisation on distributions received from Collective Investment Schemes are treated as revenue.

c) Treatment of stock dividends

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital. The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

d) Special dividends and share buy-backs

The underlying circumstances behind both special dividends and share buy backs are reviewed on a case by case basis in determining whether the amount is revenue or capital in nature. Amounts recognised as revenue will form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

e) Underwriting commission

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

f) Treatment of expenses

All expenses are charged against capital in arriving at the distributable amount.

g) Revenue allocation share classes

Revenue is allocated to the share classes of each sub-fund based on the proportion of assets held within each share class.

h) Taxation and deferred taxation

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset.

i) Distribution policy

All of the net revenue available for distribution at the end of both interim and final distribution periods will be distributed to shareholders. Any share class in deficit of revenue will be made-up from the capital attributable to that share class. All the sub-funds distribute revenue on debt securities on an effective yield basis except for the Old Mutual Bond 2 Fund, Old Mutual Fidelity Moneybuilder Income Fund and Old Mutual Gilt Fund which distribute on a coupon basis.

j) Basis of valuation of investments

The investments of the Fund are valued at noon bid prices on the last business day of the accounting year. Any unquoted or suspended investments are valued at the ACD's valuation taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

The ACD may apply a fair value price determined in accordance with the COLL Sourcebook if it has reasonable grounds for believing that no reliable price exists for a security at a valuation point or the most recent price available does not reflect the ACD's best estimate of the value at the valuation point.

Where a Fund invests in securities markets that are closed for trading (including planned stock exchange closures) at the Fund's valuation point, there is a risk that the price calculated is not representative of the markets in which it invests due to developments since the market's closure. Potentially this could lead to gains or losses on the Fund as it opens a window for investors or market timers to buy or sell at stale prices. An example would be when a Fund is priced using end of day prices from a market which closed for trading for a material period prior to the Fund's valuation point, for example, a UK Fund which is invested in US stocks, valuing at 12 noon UK time and using US asset prices from the previous day close of the US market within the Fund valuation. During this period it may be concluded that prices may change significantly when the market reopens, perhaps off the back of a global event or on indications from the global futures markets. In an event like this, the ACD has the power to invoke a fair value price to give our best estimate of the value of the market or asset in question using a reliable source. A delegated Committee is responsible for the monitoring and approval of any fair value pricing decisions.

The fair value pricing policy for the Old Mutual Specialist Funds differs dependant on the type of instruments held within the Portfolio and their economic exposure and the materiality of any fair value adjustment. Our fair value pricing policy is regularly reviewed by the Depositary of the Funds to ensure adherence to the COLL Sourcebook.

Notes to the aggregated financial statements (continued)

1 Accounting policies (continued)

k) Exchange rates

Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at close of business on the last business day of the accounting year. Revenue items in foreign currencies are translated into sterling at the exchange rates ruling when the revenue is received.

l) Financial instruments

Where appropriate, certain permitted financial instruments such as derivatives or forward currency contracts are used for efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "revenue" or "expenses" in the statement of total return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital (losses)/gains in the statement of total return. Any positions on such financial instruments open at the year end are reflected in the Balance sheet at their market value at the close of business on the last business day of the accounting year.

m) Aggregation

The aggregated financial statements represent the sum of the individual sub-funds within the umbrella scheme. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual sub-funds.

Notes to the aggregated financial statements (continued)

2 Net capital (losses)/gains

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The net (losses)/gains on investments comprise:		
(Losses)/gains on non-derivatives securities	(22,599)	66,377
(Losses)/gains on currency contracts	(315)	3,608
Gain/(Losses) on derivative contracts	1,299	(1,557)
Gains on forward currency contracts	10,661	5,515
Handling charges	(117)	(133)
Net capital (losses)/gains on investments	(11,071)	73,810

3 Revenue

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Bank and term deposit interest	38	25
Credit default swap income	-	(43)
Interest from overseas debt securities	27,524	19,569
Interest from UK debt securities	24,104	20,269
Interest rate swap income	(769)	(104)
Non-taxable overseas dividends	6,841	502
Taxable overseas dividends	1,811	1,851
UK dividends	739	15
UK REIT dividends	82	142
Unfranked distributions on Collective Investment Schemes	1	-
Total revenue	60,371	42,226

Notes to the aggregated financial statements (continued)

4 Expenses

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:		
Authorised Corporate Director's periodic charge	14,630	7,352
	14,630	7,352
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	168	102
Safe custody fees	66	61
	234	163
Other expenses:		
Administration fees	868	608
Audit fees	221	56
Currency hedge fees	7	22
Investment adviser fees	293	322
Legal fees	35	9
Professional fees	8	-
Reclaim of VAT	-	(7)
Registration fees	2	5
Risk & compliance monitoring fees	8	28
	1,442	1,043
Total expenses	16,306	8,558

*The Audit fee for the year, excluding VAT, was £184,800 (30 December 2012: £45,183).

5 Taxation

Analysis of tax charge in the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Overseas tax suffered	816	220
Total current tax charge for the year	816	220
Deferred tax charge for the year	-	-
Total taxation for the year	816	220

Corporation tax has been provided for at a rate of 20% (31 December 2012: 20%).

The tax reconciliation disclosures required are included in the notes to the financial statements of the individual sub-funds where applicable.

Notes to the aggregated financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
First Interim (31 March)	8,107	5,483
Second Interim (31 May)	75	-
Third Interim (30 June)	19,848	16,425
Fourth Interim (31 July)	81	-
Fifth Interim (31 August)	78	-
Sixth Interim (30 September)	6,265	5,555
Seventh Interim (31 October)	74	-
Eighth Interim (30 November)	64	-
Final (31 December)	20,458	16,671
	55,050	44,134
Add: amounts deductible on cancellation of shares	1,404	1,599
Less: amounts receivable on creation of shares	(1,183)	(1,827)
Finance costs: distributions	55,271	43,906
Finance costs: interest	33	21
Total finance costs	55,304	43,927
Reconciliation of distributions:		
Net revenue after taxation	43,216	33,427
Capitalised expenses	10,165	8,556
Effective yield adjustment	1,355	2,125
Revenue deficit reimbursed from capital	692	-
Tax relief on capitalised expenses	(157)	(202)
Finance costs: Distributions	55,271	43,906

Notes to the aggregated financial statements (continued)

7 Debtors

	31.12.13	31.12.12
	£'000	£'000
Accrued revenue	17,313	12,095
Amounts receivable for issue of shares	981	1,958
Currency contracts receivable	128	-
Overseas tax recoverable	130	5
Sales awaiting settlement	687	318
Total debtors	19,239	14,376

8 Cash and bank balances

	31.12.13	31.12.12
	£'000	£'000
Amounts held at futures clearing houses and brokers	1,246	1,297
Cash and bank balances	49,919	44,499
Total cash and bank balances	51,165	45,796

9 Creditors

	31.12.13	31.12.12
	£'000	£'000
Accrued Authorised Corporate Director's periodic charge	1,486	669
Accrued Depositary's fees	17	10
Accrued expenses	969	354
Accrued Investment Adviser's fees	65	50
Amounts payable for cancellation of shares	1,542	368
Currency contracts payable	129	-
Income tax payable	3,452	3,246
Purchases awaiting settlement	564	4,548
Total creditors	8,224	9,245

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 16. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

Notes to the aggregated financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The Fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares, equity related shares, fixed income securities and floating rate securities.

The Fund may also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the Fund may invest in derivative instruments in the form of interest rate swaps, credit default swaps, futures contracts and/ or forward foreign exchange contracts. The investment in these instruments may alter the exposure of the sub-fund to market, credit, interest rate and/ or currency risk. These derivative instruments are used not for speculative purposes but rather for the purpose of meeting the investment objective and/or efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the Fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-funds, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

The numerical disclosures required are included in the notes to the financial statements of the individual sub-funds where applicable.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

Bond yields are determined mainly by market perception to the appropriate level of yields given the economic background. Key determinants include economic growth, inflation, interest rates and international market comparisons.

If a bond is held to maturity the total return achieved is unaltered from its purchase date. However, over the life of a bond, the yield (and hence market price) at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

An analysis of the interest rate and maturity of the investments can be found in the tables of each sub-fund if applicable.

This risk is managed by the active monitoring and adjustment of the duration of the portfolio.

The Old Mutual Bond 1 Fund may also invest in credit default swaps and interest rate swaps for the purposes of meeting the investment objective and/or efficient portfolio management.

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Bond investors are exposed to credit risk which reflects the ability of a borrower to meet its obligations, i.e. pay the interest on a bond and return the capital on the redemption date. Generally the higher the quality of the issuer, the lower the interest rate at which they can borrow money. Issuers of lower quality will tend to have to pay more to borrow to compensate the lender (the purchaser of a bond) for the extra risk taken.

The value of a bond will fall in the event of a default on principal or coupon payment or reduced credit rating of the issuer. Generally the higher the rate of interest on any bond, the higher the perceived credit risk of the issuer. The impact of any default is reduced by diversification of the portfolio across a wide spread of issuers and sectors.

This risk is managed by the active monitoring and adjustment of the credit rating of the portfolio.

The Old Mutual Bond 1 Fund may also invest in credit default swaps and interest rate swaps for the purposes of meeting the investment objective and/or efficient portfolio management.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Notes to the aggregated financial statements (continued)

11 Derivatives and other financial instruments (continued)

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the Fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Scheme Particulars and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The Fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Fund may use derivatives for efficient portfolio management and during the year enter into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the Fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of currency contracts means that the Fund's income and equity is not materially sensitive to changes in exchange rates.

The numerical disclosures are included in the notes to the financial statements of the individual sub-funds where applicable.

12 Contingent liabilities

The numerical disclosures are included in the notes to the financial statements of the individual sub-funds where applicable.

13 Portfolio transaction costs

The numerical disclosures are included in the notes to the financial statements of the individual sub-funds where applicable.

Notes to the aggregated financial statements (continued)

14 Shareholders' funds

Accumulation and Income shares are currently available for each sub-fund as specified in the Scheme Particulars. The net asset value of the sub-fund, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The Fund currently has five share classes in issue: A Accumulation shares, Accumulation US\$ shares, A Income shares, R Income shares and EUR Accumulation shares. The net asset value of share classes, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the Authorised Corporate Director's fee of each share class are shown below:

	31.12.13	31.12.12
	1.75%	n/a
Old Mutual Aberdeen Asia Pacific Fund – Accumulation EUR 'A'*	1.75%	n/a
Old Mutual Artemis Startegic Bond Fund – Income 'A'*	1.00%	n/a
Old Mutual BlackRock Gold and General Fund – Accumulation 'A'*	1.75%	n/a
Old Mutual Bond 1 Fund – Income 'A'	0.90%	0.90%
Old Mutual Bond 2 Fund – Income 'A'	0.90%	0.90%
Old Mutual Bond 2 Fund – Accumulation 'A'	0.90%	0.90%
Old Mutual Bond 3 Fund – Income 'A'	1.10%	1.10%
Old Mutual Bond 3 Fund – Income 'R'*	0.75%	n/a
Old Mutual Fidelity Global Focus Fund – Accumulation 'A'*	1.50%	n/a
Old Mutual Fidelity Moneybuilder Income Fund – Income 'A'*	0.80%	n/a
Old Mutual Fidelity Strategic Bond Fund – Income 'A'*	1.00%	n/a
Old Mutual Gilt Fund – Income 'A'	0.60%	0.60%
Old Mutual Gilt Fund – Accumulation 'A'	0.60%	0.60%
Old Mutual Gilt Fund – Income 'R' *	0.30%	n/a
Old Mutual Global Property Securities Fund – Income 'A'	1.50%	1.50%
Old Mutual Global Property Securities Fund – Accumulation US\$ 'A'	1.50%	1.50%
Old Mutual Global Property Securities Fund – Income 'R'*	0.75%	n/a
Old Mutual Henderson China Opps Fund – Accumulation 'A'*	1.50%	n/a
Old Mutual Henderson European Growth Fund – Accumulation 'A'*	1.50%	n/a
Old Mutual Invesco Perpetual Asian Fund – Accumulation 'A'*	1.50%	n/a
Old Mutual Invesco Perpetual Corporate Bond Fund – Income 'A'*	1.00%	n/a
Old Mutual JPM Emerging Markets Fund– Accumulation 'A'*	1.50%	n/a
Old Mutual JPM Natural Resources Fund– Accumulation 'A'*	1.50%	n/a
Old Mutual Newton Global Higher Income Fund– Income 'A'*	1.50%	n/a
Old Mutual Schroder Tokyo Fund– Accumulation 'A'*	1.50%	n/a
Old Mutual Schroder US Mid Cap Fund– Accumulation 'A'*	1.50%	n/a
Old Mutual Threadneedle American Select Fund– Accumulation 'A'*	1.50%	n/a
Old Mutual Threadneedle European Select Fund– Accumulation 'A'*	1.50%	n/a
Old Mutual Threadneedle High Yield Bond Fund– Income 'A'*	1.25%	n/a

* As the share class was launched during the year there is no prior year comparison

The distribution per share class is given in the distribution table for each sub-fund. Both income and accumulations shares have the same rights on winding up.

Old Mutual Aberdeen Asia Pacific Fund

Launch date	17 July 2013
Sector classification	Specialist
Investment adviser	Aberdeen Asset Managers Limited
Net asset value	£47,265,884

Objective and Investment Policy

The sub-fund aims to achieve capital growth by investing primarily in the shares of companies in the Asia Pacific region excluding Japan. The sub-fund may also invest in other transferable securities, collective investment schemes, money market instruments and deposits.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£17,502,959	19,185,378	91.23p
Accumulation EUR 'A'	£29,762,925	37,549,799	79.26p

Comparative table

The table below shows the highest and lowest share prices in pence/cents per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	100.40	90.26
Accumulation EUR 'A'	85.71	78.42

* The sub-fund launched on 17 July 2013.

The table below shows the net revenue accumulated per share in pence/cents for the calendar years indicated below.

Calendar year	Pence/cents per share
2014*	
Accumulation 'A'	0.1093
Accumulation EUR 'A'	0.0000

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

Asian equities rose in sterling terms over the review period to the end of December 2013 despite persistent uncertainty over when the US Federal Reserve would begin to pare its asset purchases (QE). Sentiment was also hurt by worries over possible US military intervention in Syria over the use of chemical weapons. In the second half, global risk appetite improved after Washington found a solution to raising the debt ceiling and end the partial government shutdown. Confidence was further lifted by the new Chinese government's plans to reform its economy through greater private-sector participation. Towards the period-end, markets welcomed the Fed's long-awaited decision to gradually reduce its asset purchases from January 2014, but gains were limited by concerns of political unrest in Thailand.

Over the six months to end December 2013, the benchmark MSCI AC Asia Pacific ex Japan Index rose by around 1% in sterling terms. Over the five months to the end of December 2013, the benchmark fell by 1.51% in sterling terms, compared with the sub-fund's return of -7.76%. Both asset allocation and stock selection were negative. During the quarter to the end of December there were no significant portfolio changes made.

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 6 have in the past shown relatively high volatility. With a fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk - a fall in the Asia Pacific markets may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Asia Pacific (Excluding Japan)	84.18%
United Kingdom	14.53%
Net other assets	1.29%
Total	100.00%

Asset allocation

Equities	98.68%
Bonds	0.03%
Net other assets	1.29%
Total	100.00%

Major holdings

	Percentage of portfolio
Aberdeen Global - Indian Equity Fund	9.81%
Jardine Strategic	4.28%
Oversea Chinese Banking	4.12%
HSBC	3.76%
Rio Tinto	3.68%
BHP Billiton	3.67%
AIA	3.53%
China Mobile	3.19%
PetroChina	3.17%
Standard Chartered	3.09%

Number of holdings **50**

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	2.01%
31.12.13 Accumulation EUR**	2.01%

*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 14.53%		
	United Kingdom Bonds 0.03%		
£10,500	Aberdeen Asian Convertible Bond 3.5% 31/05/2019	12	0.03
	United Kingdom Equities 14.50%		
	Banks 6.85%		
270,830	HSBC	1,779	3.76
106,900	Standard Chartered	1,458	3.09
		3,237	6.85
	Investment Funds 0.30%		
10,100	Aberdeen Asian Smaller Companies Investment Trust	88	0.19
14,900	Aberdeen New Thai Investment Trust	53	0.11
		141	0.30
	Mining 7.35%		
92,800	BHP Billiton	1,736	3.67
50,900	Rio Tinto	1,738	3.68
		3,474	7.35
	Overseas 84.18%		
	Asia Pacific (Excluding Japan) Equities 84.18%		
	Australia Equities 4.14%		
132,600	QBE Insurance	825	1.74
62,100	Woolworths	1,134	2.40
		1,959	4.14
	China Equities 3.17%		
2,262,000	PetroChina	1,499	3.17
	Hong Kong Equities 21.85%		
550,800	AIA	1,670	3.53
66,800	ASM Pacific Technology	335	0.71
241,000	China Mobile	1,509	3.19
122,400	Dairy Farm International	704	1.49
144,000	Hang Lung	440	0.93
406,000	Hang Lung Properties	775	1.64
104,500	Jardine Strategic	2,023	4.28
928,000	Li & Fung	724	1.53
51,000	Swire Pacific 'A'	361	0.77
365,000	Swire Pacific 'B'	496	1.05
668,600	Swire Properties	1,017	2.15
30,000	Wing Hang Bank	273	0.58
		10,327	21.85
	India Equities 12.44%		
98,000	Housing Development Finance	763	1.61
27,900	Ultratech Cement	481	1.02
647,486	Aberdeen Global - Indian Equity Fund	4,638	9.81
		5,882	12.44

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Indonesia Equities 0.50%			
181,000	Unilever Indonesia	234	0.50
Malaysia Equities 3.49%			
40,700	British American Tobacco (Malaysia)	477	1.01
495,087	CIMB	691	1.46
135,500	Public Bank	481	1.02
		1,649	3.49
Philippine Equities 3.23%			
112,500	Ayala	794	1.68
1,086,000	Ayala Land	366	0.78
315,000	Bank of the Philippine Islands	365	0.77
		1,525	3.23
Singapore Equities 20.66%			
308,000	City Developments	1,412	2.99
81,000	DBS	661	1.40
255,000	Keppel	1,364	2.89
19,600	Keppel REIT	11	0.02
399,000	Oversea Chinese Banking	1,949	4.12
84,000	Singapore Airlines	418	0.88
658,000	Singapore Technologies Engineering	1,239	2.62
749,000	Singapore Telecommunications	1,310	2.77
122,000	United Overseas Bank	1,241	2.63
44,000	Venture	161	0.34
		9,766	20.66
South Korea Equities 4.85%			
2,660	E-Mart	406	0.86
1,570	Samsung Electronics (South Korea listed)	911	1.93
3,350	Samsung Electronics (US listed)	976	2.06
		2,293	4.85
Taiwan Equities 5.20%			
433,000	Taiwan Mobile Co Ltd	847	1.79
412,000	Taiwan Semiconductor Manufacturing	878	1.86
69,000	Taiwan Semiconductor Manufacturing ADR	734	1.55
		2,459	5.20
Thailand Equities 4.65%			
304,400	PTT Exploration & Production	933	1.97
171,100	Siam Cement	1,267	2.68
		2,200	4.65
Investment assets		46,657	98.71
Net other assets		609	1.29
Total net assets		47,266	100.00

The sub-fund launched on 17 July 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 17 July 2013 to 31 December 2013

	Notes	17.07.13 to 31.12.13 £'000	17.07.13 to 31.12.13 £'000
Income			
Net capital losses	2		(2,868)
Revenue	3	230	
Expenses	4	(255)	
Finance costs: Interest	6	-	
Net expense before taxation		(25)	
Taxation	5	(7)	
Net expense after taxation			(32)
Total return before distributions			(2,900)
Finance costs: Distributions	6		(26)
Change in net assets attributable to shareholders from investment activities			(2,926)

Statement of change in net assets attributable to shareholders

for the period from 17 July 2013 to 31 December 2013

	17.07.13 to 31.12.13 £'000	17.07.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	58,981	
Amounts paid on cancellation of shares	(8,800)	
		50,181
Stamp duty reserve tax		(10)
Change in net assets attributable to shareholders from investment activities		(2,926)
Retained distribution on accumulation shares		21
Closing net assets attributable to shareholders		47,266

The sub-fund launched on 17 July 2013, therefore no comparatives are included.
The notes on pages 33 to 39 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			46,657
Debtors	7	36	
Cash and bank balances	8	841	
Total other assets			877
Total assets			47,534
Liabilities			
Creditors	9	(268)	
Total liabilities			(268)
Net assets attributable to shareholders			47,266

The sub-fund launched on 17 July 2013, therefore no comparatives are included.
The notes on pages 33 to 39 form an integral part of these financial statements.

Notes to the financial statements

for the period from 17 July 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Aberdeen Asia Pacific Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net losses on investments comprise:

	17.07.13 to 31.12.13 £'000
Losses on non-derivatives securities	(2,796)
Losses on currency contracts	(61)
Losses on forward currency contracts	(9)
Handling charges	(2)
Net capital losses on investments	(2,868)

3 Revenue

	17.07.13 to 31.12.13 £'000
Non-taxable overseas dividends	180
UK dividends	49
Unfranked UK dividends	1
Total revenue	230

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge	220
	220

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees	2
Safe custody fees	4
	6

Other expenses:

Administration fees	21
Audit fees	8
	29

Total expenses	255
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* The Audit fee for the period, excluding VAT, was £6,800.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	17.07.13 to 31.12.13 £'000
Overseas tax suffered	7
Total current tax charge for the period (see note 5(b))	7
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	7

b) Factors affecting current tax charge for the period

	17.07.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net expense before taxation	(25)
Corporation tax at 20%	(5)
Effects of:	
Excess management expenses for which no relief taken	52
Franked investment revenue at 20%	(10)
Non-taxable overseas dividends	(37)
Overseas tax suffered	7
Total current tax charge for the period (see note 5(a))	7

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	17.07.13 to 31.12.13 £'000
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £257,726 which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	17.07.13 to 31.12.13 £'000
Final (31 December)	21
Revenue deducted on cancellation of shares	21
Revenue received on issue of shares	6
Finance costs: Distributions	(1)
Finance costs: Interest	26
Finance costs: Interest	-
Total finance costs	26
Reconciliation of distributions:	
Net expense after taxation	(32)
Undistributed revenue at the period end	58
Finance costs: Distributions	26

Details of the final distributions per share are set out in the table on page 40.

7 Debtors

	31.12.13 £'000
Accrued revenue	24
Amounts receivable for issue of shares	12
Total debtors	36

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	841
Total cash and bank balances	841

9 Creditors

	31.12.13 £'000
Accrued Authorised Director's periodic charge	61
Accrued Depositary fees	1
Accrued expenses	32
Amounts payable for cancellation of shares	174
Total creditors	268

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 31. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	-	1,959	1,959
Euro	182	-	182
Hong Kong Dollar	-	10,879	10,879
Indian Rupee	-	1,244	1,244
Indonesian Rupiah	-	234	234
Malaysian Ringit	-	1,648	1,648
Phillipine Peso	1	1,529	1,530
Singapore Dollar	163	9,787	9,950
South Korean Won	-	1,317	1,317
Taiwan Dollar	18	1,725	1,743
Thailand Baht	-	2,200	2,200
US Dollar	-	9,075	9,075
Total	364	41,597	41,961

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Australian Dollar	-	-	1,959	1,959
Euro	182	-	-	182
Hong Kong Dollar	-	-	10,879	10,879
Indian Rupee	-	-	1,244	1,244
Indonesian Rupiah	-	-	234	234
Malaysian Ringit	-	-	1,648	1,648
Phillipine Peso	1	-	1,529	1,530
Singapore Dollar	163	-	9,787	9,950
South Korean Won	-	-	1,317	1,317
Sterling	477	12	5,084	5,573
Taiwan Dollar	18	-	1,725	1,743
Thailand Baht	-	-	2,200	2,200
US Dollar	-	-	9,075	9,075
Total	841	12	46,681	47,534

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Sterling	-	(268)	(268)
Total	-	(268)	(268)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Aberdeen Asia Pacific Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Aberdeen Asia Pacific Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 9.12% and 10.43% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 8.50%, 9.55% and 13.60%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

Distribution table

13 Portfolio transaction costs

	17.07.13 to 31.12.13 £'000	17.07.13 to 31.12.13 £'000
Analysis of total purchase costs		
Purchases in the period before transaction costs		50,345
Commissions	10	
Other costs	30	
Total purchase costs		40
Gross purchases total		50,385
Analysis of total sale costs		
Gross sales in the period before transaction costs		934
Commissions	(1)	
Total sale costs		(1)
Total sales net of transaction costs		933

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Aberdeen Asia Pacific Fund are included on page 26 of the Notes to the aggregated financial statements. The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 27.

Distribution table

Final distribution

Group 1: Shares purchased on 17 July 2013
 Group 2 : Shares purchased from 18 July 2013 to 31 December 2013

	Net revenue pence/ cent per share	Equalisation pence/ cent per share*	Distribution paid 28.02.14 pence/ cent per share
Accumulation 'A' Shares			
Group 1	0.1093	-	0.1093
Group 2	0.0000	0.1093	0.1093
Accumulation EUR 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Artemis Strategic Bond Fund

Launch date	12 April 2013
Sector classification	IMA £ Strategic Bond
Investment adviser	Artemis Investment Management LLP
Net asset value	£13,368,851

Objective

To achieve a total return by investing predominantly in fixed income markets.

Policy

The sub-fund aims to achieve its objective by investing predominantly in fixed income markets but may selectively invest in other markets. Equal emphasis is given to the security of capital and income although from time to time one may take prominence over the other in accordance with the strategy being pursued.

The sub-fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the FCA Rules.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Income 'A'	£13,368,851	13,052,591	102.42p

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Income 'A'	103.4	98.29

* The sub-fund launched on 12 April 2013.

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2013*	
Income 'A'	1.5287
2014**	
Income 'A'	0.9065

* from 30 April 2013

** to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

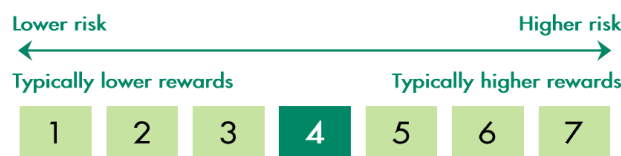
Investment Manager's review

The sub-fund returned 6.13% in the period. A number of factors contributed. Firstly, duration management. We actively shifted the sub-fund's duration throughout the period. In particular, we sold Gilt futures at the beginning of 2013, reducing the portfolio's duration. As the summer progressed and yields rose, that decision proved successful. We reversed the position once yields in the US hit 3%, significantly increasing the portfolio's duration. Secondly, our sector allocation was also beneficial. We had plenty of financial bonds, such as National Westminster Bank and Bank of Ireland, which performed well over the period under review. Banks in Europe are still deleveraging and regulators are demanding bigger capital buffers. That prudence is good news for bondholders. Although we have enjoyed excellent returns from our financial bonds, we think there is further upside. We also had ample exposure to 'hybrid' bonds, especially popular with utility companies and telecoms companies such as Telefónica, which also performed well. Perhaps our most important decision, however, was to have plenty of exposure to high-yield bonds, which were the fixed income market's best performers during the period under review. We managed to avoid some of the potential pitfalls in the high-yield bond market. A prime example was New World Resources, which went into receivership.

Old Mutual Artemis Strategic Bond Fund

Risk and Reward Profile

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the Fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the Fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

The sub-fund is in category 4 because it invests in debt securities; these investments have additional risks as listed below. These factors may increase the value of the investments or expose the sub-fund to losses.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Credit risk - the issuer of a bond or similar investment within the sub-fund may not pay income or repay capital to the fund when due. Bonds which are below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk - some investments may become hard to value or sell at a determined time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to generate returns as well as to reduce costs and/or the overall risk of the sub-fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United Kingdom	62.67%
Europe	26.93%
North America	8.32%
Derivatives	0.27%

Net other assets	1.81%
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Total	100.00%
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Asset allocation

Sterling Debt Securities	60.87%
Euro Debt Securities	25.12%
US Dollar Debt Securities	11.41%
United Kingdom Equities	0.49%
Europe Equities	0.03%
Derivatives	0.27%

Net other assets	1.81%
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Total	100.00%
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Major holdings

	Percentage of portfolio
US Treasury 0.25% Bonds 15/12/2015	2.72%
RSA Insurance 8.5% Guaranteed Perpetual Bonds	1.92%
SSE 5.625% Perpetual Subordinated Bonds	1.77%
BG Energy Capital 6.5% Guaranteed Bonds 30/11/2072	1.71%
HSBC 6.375% Subordinated European Medium Term Bonds 18/10/2022	1.65%
Imperial Tobacco Finance 5.5% Guaranteed European Medium Term Bonds 22/11/2016	1.64%
NIE Finance 6.375% Guaranteed Bonds 02/06/2026	1.63%
RWE 7% Perpetual Subordinated Bonds	1.58%
Investec Bank 9.625% Subordinated European Medium Term Bonds 17/02/2022	1.57%
National Express 6.25% Guaranteed European Medium Term Bonds 13/01/2017	1.56%

Number of holdings	89
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Ongoing charges figure (OCF)*

31.12.13 Income 'A'***	1.23%
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* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 61.63%			
Sterling Denominated Corporate Bonds 60.87%			
Sterling Denominated Fixed Rate Corporate Bonds 49.46%			
£130,000	AA 9.5% Bonds 31/07/2043	143	1.07
£160,000	Arqiva Broadcast Finance 9.5% Senior European Medium Term Bonds 31/03/2020	177	1.32
£180,000	AXA 6.666% Perpetual Subordinated European Medium Term Bonds	188	1.41
£110,000	Boparan Finance 9.875% Guaranteed Bonds 30/04/2018	120	0.90
£100,000	Cable & Wireless International Finance 8.625% Guaranteed Bonds 25/03/2019	114	0.85
£140,000	Co-operative 2011 6.875% Guaranteed Bonds 08/07/2020	143	1.07
£150,000	CPUK Finance 11.625% Senior European Medium Term Bonds 28/02/2042	171	1.28
£140,000	DFS Furniture 7.625% Senior Bonds 15/08/2018	149	1.11
£150,000	Dubai Commercial Operations MTN 6% Guaranteed European Medium Term Bonds 01/02/2017	156	1.17
£140,000	ENW Finance 5.875% Senior Bonds 21/06/2021	145	1.08
£100,000	Equiniti Newco 2 7.125% Senior European Medium Term Bonds 15/12/2018	105	0.79
£110,000	Fidelity International 6.75% Senior European Medium Term Bonds 19/10/2020	122	0.91
£180,000	Friends Life 6.292% Guaranteed Perpetual Bonds	175	1.31
£150,000	GE Capital Trust V 5.5% Limited Guarantee Bonds 15/09/2066	153	1.14
£100,000	GKN 5.375% Senior European Medium Term Bonds 19/09/2022	104	0.78
£190,000	Go-Ahead 5.375% Guaranteed Bonds 29/09/2017	206	1.54
£100,000	Heathrow Finance 7.125% Senior European Medium Term Bonds 01/03/2017	110	0.82
£200,000	HSBC 6.375% Subordinated European Medium Term Bonds 18/10/2022	221	1.65
£200,000	Imperial Tobacco Finance 5.5% Guaranteed European Medium Term Bonds 22/11/2016	219	1.64
£140,000	Infinis 7% Senior Bonds 15/02/2019	149	1.11
£190,000	Investec Bank 9.625% Subordinated European Medium Term Bonds 17/02/2022	210	1.57
£190,000	ITV 5.375% Guaranteed European Medium Term Bonds 19/10/2015	201	1.50
£150,000	Kelda Finance No 3 5.75% Senior Bonds 17/02/2020	154	1.15
£70,000	LBG Capital No.2 9.125% Guaranteed Bonds 15/07/2020	76	0.57
£140,000	Legal & General 10% Subordinated European Medium Term Bonds 23/07/2041	187	1.40
£140,000	Lloyds Bank 7.625% Subordinated European Medium Term Bonds 22/04/2025	164	1.23
£190,000	National Express 6.25% Guaranteed European Medium Term Bonds 13/01/2017	208	1.56
£600	Nationwide Building Society 10.25% Perpetual Subordinated Bonds	69	0.52
£190,000	NIE Finance 6.375% Guaranteed Bonds 02/06/2026	218	1.63
£130,000	Odeon & UCI Finco 9% Senior European Medium Term Bonds 01/08/2018	132	0.99
£150,000	Pipe 9.5% Senior Bonds 01/11/2015	158	1.18
£120,000	Porterbrook Rail Finance 6.5% Senior European Medium Term Bonds 20/10/2020	140	1.05
£180,000	Priory No 3 7% Senior Bonds 15/02/2018	189	1.41
£140,000	RL Finance 6.125% Guaranteed Perpetual Bonds	141	1.06
£200,000	RWE 7% Perpetual Subordinated Bonds	211	1.58
£170,000	Scottish Widows 5.125% Perpetual Subordinated Bonds	169	1.26
£140,000	Siemens Financieringsmaatschappij 6.125% Guaranteed Bonds 14/09/2066	151	1.13
£140,000	Tullett Prebon 7.04% Guaranteed Bonds 06/07/2016	149	1.11
£100,000	Virgin Media Secured Finance 6% Senior Bonds 15/04/2021	103	0.77
£100,000	Vougeot Bidco 7.875% Senior Bonds 15/07/2020	107	0.80
£110,000	Voyage Care Bondco 6.5% Senior Bonds 01/08/2018	113	0.85
£190,000	Westfield UK & Europe Finance 4.25% Guaranteed European Medium Term Bonds 11/07/2022	195	1.46
£100,000	William Hill 4.25% Guaranteed Bonds 05/06/2020	97	0.73
		6,612	49.46
Sterling Denominated Variable Rate Corporate Bond 11.41%			
£120,000	Bank of Scotland Capital Funding 6.059% Guaranteed Perpetual Bonds	121	0.91
£210,000	BG Energy Capital 6.5% Guaranteed Bonds 30/11/2072	229	1.71
£100,000	Bond Mission Critical Services 6.26406% Senior Floating Rate Bonds 01/05/2019	96	0.72
£110,000	Direct Line Insurance 9.25% Guaranteed Bonds 27/04/2042	135	1.01

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Variable Rate Corporate Bond (continued)			
£103,000	Enel 7.75% Subordinated Bonds 10/09/2075	109	0.82
£100,000	Galaxy Bidco 5.52469% Senior Floating Rate Bonds 15/11/2019	100	0.75
£100,000	Liverpool Victoria Friendly Society 6.5% Subordinated Bonds 22/05/2043	94	0.70
£170,000	Pennon 6.75% Perpetual Subordinated Bonds	179	1.34
£250,000	RSA Insurance 8.5% Guaranteed Perpetual Bonds	257	1.92
£200,000	Telefonica Europe 6.75% Guaranteed Perpetual Bonds	205	1.53
		1,525	11.41
United Kingdom Equities 0.49%			
Financial Services 0.49%			
60,000	Doroc Nimrod Air Three	66	0.49
United Kingdom Derivatives 0.27%			
Sterling Denominated Open Forward Exchange Contract 0.27%			
£3,297,721	Sterling v Euro Forward Exchange Contract	29	0.21
£105,657	Sterling v Norwegian Krone Forward Exchange Contract	1	0.01
£743,954	Sterling v US Dollar Forward Exchange Contract	7	0.05
		37	0.27
Overseas 36.56%			
Europe 25.15%			
Euro Denominated Corporate Bonds 25.12%			
Euro Denominated Fixed Rate Corporate Bonds 18.34%			
€130,000	ABN AMRO Bank 4.31% Perpetual Subordinated Bonds	107	0.80
€190,000	Bank of Ireland 10% Subordinated European Medium Term Bonds 19/12/2022	190	1.42
€140,000	Clerical Medical Finance 4.25% Guaranteed Perpetual Bonds	117	0.88
€100,000	CMA CGM 8.75% Senior Bonds 15/12/2018	82	0.61
€200,000	ELAN 4.691% European Medium Term Bonds 25/05/2017	161	1.20
€160,000	Energie Baden-Wuerttemberg 7.375% Subordinated European Medium Term Bonds 02/04/2072	149	1.11
€120,000	Ferrovial Emisiones 3.375% Guaranteed Bonds 30/01/2018	104	0.78
€170,000	GMAC International Finance 7.5% Guaranteed Bonds 21/04/2015	151	1.13
€200,000	ING Verzekeringen 6.375% Subordinated Bonds 07/05/2027	177	1.32
€150,000	IPIC GMTN 5.875% Guaranteed European Medium Term Bonds 14/03/2021	148	1.11
€190,000	Matterhorn Mobile 8.25% Senior European Medium Term Bonds 15/02/2020	173	1.29
€140,000	Old Mutual 5% Perpetual Subordinated European Medium Term Bonds	117	0.88
€100,000	Polish Television 11% Senior Bonds 15/01/2021	89	0.67
€230,000	Standard Life 5.314% Guaranteed Perpetual Bonds	196	1.47
€135,000	Thomas Cook Finance 7.75% Guaranteed European Medium Term Bonds 15/06/2020	122	0.91
€144,000	Univeg 7.875% Senior Bonds 15/11/2020	120	0.90
€150,000	Vivacom 6.625% Senior European Medium Term Bonds 15/11/2018	124	0.93
€144,000	WMG Acquisition 6.25% Senior Bonds 15/01/2021	125	0.93
		2,452	18.34
Euro Denominated Variable Rate Corporate Bonds 6.03%			
€60,000	Atradius Finance 5.875% Guaranteed Bonds 03/09/2024	48	0.36
€200,000	BNP Paribas Fortis 4.625% Perpetual Subordinated Bonds	168	1.26
€200,000	Dexia Credit Local 5.3% Subordinated Floating Rate European Medium Term Bonds 01/12/2014	164	1.23
€250,000	National Westminster Bank 2.374% Perpetual Subordinated Floating Rate European Medium Term Bonds	186	1.39
€190,000	Romulus Finance 1.198% Floating Rate Bonds 20/02/2015	155	1.16
€100,000	Stampos 5.2384% Senior Floating Rate Bonds 15/05/2019	85	0.63
		806	6.03

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Norwegian Krone Denominated Variable Rate Corporate Bonds 0.75%			
NOK1,000,000	Albain Bidco Norway 6.67% Floating Rate Bonds 01/11/2020	100	0.75
Europe Equities 0.03%			
Norway Equities 0.03%			
10,313	Oceanteam Shipping	4	0.03
North America 11.41%			
US Dollar Denominated Bonds 11.41%			
US Dollar Denominated Fixed Rate Corporate Bonds 5.23%			
\$200,000	Aberdeen Asset Management 7% Perpetual Subordinated Bonds	125	0.93
\$300,000	Claudius for Credit Suisse 7.875% Perpetual Subordinated Bonds	195	1.46
\$200,000	IGAS Energy 10% Senior Bonds 22/03/2018	128	0.96
\$200,000	Nara Cable Funding 8.875% Senior Bonds 01/12/2018	130	0.97
\$200,000	Topaz Marine 8.625% Guaranteed Bonds 01/11/2018	122	0.91
		700	5.23
US Dollar Denominated Fixed Rate Government Bonds 3.06%			
\$600,000	US Treasury 0.25% Bonds 15/12/2015	362	2.71
\$100,000	US Treasury Inflation Indexed 0.625% Bonds 15/02/2043	47	0.35
		409	3.06
US Dollar Denominated Variable Rate Corporate Bonds 3.12%			
\$300,000	Electricite de France 5.25% Perpetual Subordinated Bonds	180	1.35
\$370,000	SSE 5.625% Perpetual Subordinated Bonds	236	1.77
		416	3.12
Investment assets		13,127	98.19
Net other assets		242	1.81
Total net assets		13,369	100.00

The sub-fund launched on 12 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 12 April 2013 to 31 December 2013

		12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
	Notes		
Income			
Net capital gains	2		324
Revenue	3	541	
Expenses	4	(119)	
Finance costs: Interest	6	(3)	
Net revenue before taxation		419	
Taxation	5	-	
Net revenue after taxation			419
Total return before distributions			743
Finance costs: Distributions	6		(419)
Change in net assets attributable to shareholders from investment activities			324

Statement of change in net assets attributable to shareholders

for the period from 12 April 2013 to 31 December 2013

	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	15,913	
Amounts paid on cancellation of shares	(2,868)	
		13,045
Change in net assets attributable to shareholders from investment activities		324
Closing net assets attributable to shareholders		13,369

The sub-fund launched on 12 April 2013, therefore no comparatives are included.
The notes on pages 48 to 53 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			13,127
Debtors	7	295	
Cash and bank balances	8	157	
Total other assets			452
Total assets			13,579
Liabilities			
Creditors	9	(92)	
Distribution payable on income shares		(118)	
Total liabilities			(210)
Net assets attributable to shareholders			13,369

The sub-fund launched on 12 April 2013, therefore no comparatives are included.
The notes on pages 48 to 53 form an integral part of these statements.

Notes to the financial statements

for the period from 12 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Artemis Strategic Bond Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Gains on derivatives securities

Gains on forward currency contracts

Handling charges

Net capital gains on investments

12.04.13 to

31.12.13

£'000

94

(26)

78

179

(1)

324

3 Revenue

Interest from overseas debt securities

Interest from UK debt securities

Total revenue

12.04.13 to

31.12.13

£'000

196

345

541

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

101

101

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

1

Safe custody fees

1

2

Other expenses:

Administration fees

5

Audit fees

11

16

Total expenses

119

* The Audit fee for the period, excluding VAT, was £9,300.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	12.04.13 to 31.12.13 £'000
Overseas tax suffered	-
Total current tax charge for the period (see note 5(b))	-
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	-

b) Factors affecting current tax charge for the period

	12.04.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	419
Corporation tax at 20%	84
Effects of:	
Tax deductible interest distributions	(84)
Total current tax charge for the period (see note 5(a))	-

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	12.04.13 to 31.12.13 £'000
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

As at 31 December 2013 the sub-fund has no surplus management expenses.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	12.04.13 to 31.12.13 £'000
First interim (30 June)	121
Second interim (30 September)	142
Final (31 December)	148
	411
Revenue deducted on cancellation of shares	11
Revenue received on issue of shares	(3)
Finance costs: Distributions	419
Finance costs: Interest	3
Total finance costs	422

Details of the interim and final distributions per share are set out in the table on page 54.

7 Debtors

	31.12.13 £'000
Accrued revenue	279
Amounts receivable for issue of shares	16
Total debtors	295

8 Cash and bank balances

	31.12.13 £'000
Amounts held at futures clearing houses and brokers	15
Cash and bank balances	142
Total cash and bank balances	157

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	11
Accrued expenses	11
Amounts payable for cancellation of shares	38
Income tax payable	32
Total creditors	92

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 46. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and variable rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures* 31.12.13 £'000	Non-monetary exposures 31.12.13 £'000	Total 31.12.13 £'000
Euro	4	61	65
Swiss Franc	116	-	116
US Dollar	-	802	802
Total	120	863	983

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Euro	810	2,452	72	3,334
Norwegian Krone	100	-	5	105
Sterling	1,563	6,612	4,421	12,596
Swiss Franc	116	-	-	116
US Dollar	415	1,109	14	1,538
Total	3,004	10,173	4,512	17,689

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Euro	-	(3,269)	(3,269)
Norwegian Krone	-	(105)	(105)
Sterling	-	(210)	(210)
US Dollar	-	(736)	(736)
Total	-	(4,320)	(4,320)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Euro	7.23%	10.53 years
Euro Fixed Perpetual	4.81%	-
Euro Variable	3.73%	1.60 years
Norwegian Krone Variable	6.67%	6.84 years
Sterling	7.15%	8.98 years
Sterling Fixed Perpetual	6.58%	-
Sterling Variable	7.12%	18.32 years
US Dollar	4.57%	4.87 years
US Dollar Fixed Perpetual	7.53%	-
US Dollar Variable Perpetual	5.46%	-

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated bonds was 50.33%. (Source: Old Mutual Global Investors Limited/Factset)

Analysis of bonds	£'000	%
Investment Grade	6,727	50.33
Below Investment Grade	5,010	37.47
Unrated	1,283	9.60
	13,020	97.40

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Notes to the financial statements (continued)

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Artemis Strategic Bond Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Artemis Strategic Bond Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 3.21% and 6.31% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 2.72%, 3.13% and 3.31%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for the current period.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Artemis Strategic Bond Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 41.

Distribution Table

Final distribution

Group 1: Shares purchased prior to 1 October 2013
 Group 2: Shares purchased from 1 October 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Income 'A' Shares					
Group 1	1.1331	0.2266	0.9065	-	0.9065
Group 2	0.5495	0.1099	0.4396	0.4669	0.9065

Second Interim distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 30 September 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.11.13 pence per share
Income 'A' Shares					
Group 1	1.0593	0.2119	0.8474	-	0.8474
Group 2	0.3414	0.0683	0.2731	0.5743	0.8474

First Interim distribution

Group 1: Shares purchased on 12 April 2013
 Group 2: Shares purchased from 13 April 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Income 'A' Shares					
Group 1	0.8516	0.1703	0.6813	-	0.6813
Group 2	0.3789	0.0758	0.3031	0.3782	0.6813

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual BlackRock Gold & General Fund

Launch date	30 April 2013
Sector classification	Specialist
Investment adviser	BlackRock Investment Management (UK) Limited
Net asset value	£31,425,631

Objective and policy

The sub-fund aims to achieve long term capital growth primarily through an actively managed portfolio of gold mining, commodity and precious-metal related shares.

The sub-fund may also invest in other transferable securities and units in collective investment schemes. Derivatives may also be used for the purposes of efficient portfolio management.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£31,425,631	44,589,035	70.48p

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	101.0	69.06

* The sub-fund launched on 30 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.0000

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

Amidst the gold price falls, the portfolio's focus on companies with higher than average asset quality, lower than average costs and relatively healthy balance sheets aided performance.

Precious metals came under pressure during the period with gold and silver prices falling -17.7% and -20.2% respectively. Significant headwinds such as strong equity market performance, a stronger US dollar and an absence of inflationary pressures meant the demand from institutional investors for gold diminished. Gold was particularly hard hit as the market began to expect "tapering" (the phasing out of the Federal Reserve's bond-buying programme of quantitative easing). There was a surge in retail demand for jewellery, bars and coins in the second quarter. This was price sensitive and meant that, during the second half of the year, the price was range-bound. The sharp fall in the gold price pushed many gold producers into loss-making territory and the sector has been forced to take drastic action.

Platinum and palladium, mainly used in auto catalysts, outperformed gold and silver. Supply for both metals has come under pressure owing to challenges facing the world's major producing countries. Platinum was affected by rising costs, disruptions and fractious politics in South Africa. Dwindling strategic stockpiles has meant the supply of Russian palladium into the market has declined.

Franco Nevada was one of the Fund's top contributors to relative performance. The gold royalty company has been a comparatively good performer for some time as the market has shown itself willing to pay for high quality royalty exposure. Other top individual performers included Polyus Gold and the Fund's non-gold exposure, including general miner Tahoe Resources, which ramped up production at their Guatemalan silver mine.

The Fund is unable to match the benchmark's exposure to the largest gold producers due to UCITS rules. This structural underweight to Barrick and Goldcorp detracted from performance as the heavyweights held up marginally better than the overall sector.

Old Mutual BlackRock Gold & General Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 7 have in the past shown very high volatility. With a fund of category 7, you have a very high risk of losing money but your chance for gains is also very high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Sector concentration risk - the sub-fund's investments are concentrated in natural resources companies, and may be subject to a greater degree of risk and volatility than a fund following a more diversified strategy.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in, or with exposure to, other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	58.53%
United Kingdom	21.37%
South America	2.50%
Asia Pacific (excluding Japan)	6.93%
Europe	5.57%
Africa	4.64%
Net other assets	0.46%
Total	100.00%

Asset allocation

Equities	99.10%
Bonds	0.44%
Net other assets	0.46%
Total	100.00%

Major holdings

	Percentage of portfolio
Franco-Nevada	9.36%
Goldcorp	7.07%
Randgold Resources ADR	6.95%
Eldorado Gold	5.01%
Fresnillo	4.85%
Yamana Gold	4.16%
Polyus Gold International	3.64%
Newcrest Mining	3.61%
Freeport-McMoRan Copper & Gold	3.01%
Industrias Penoles SAB de CV	2.97%

Number of holdings	69
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Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'***	1.93%
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* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 21.37%		
	United Kingdom Equities 21.37%		
	Chemicals 0.37%		
3,590	Johnson Matthey	117	0.37
	Investment Funds 5.38		
194,726	BlackRock World Mining Trust	901	2.86
9,908	ETFS Physical Platinum	788	2.51
32,542	Praetorian Resources	3	0.01
16,271	Praetorian Resources (Subscription shares)	-	-
		1,692	5.38
	Mining 15.62%		
126,871	Hochschild Mining	179	0.57
1,809,735	Patagonia Gold	199	0.63
576,711	Polyus Gold International	1,145	3.64
6,927	Rio Tinto	237	0.76
120,216	Minera IRL	13	0.04
368,770	Petra Diamonds	436	1.39
13,646	Randgold Resources	516	1.64
58,607	Randgold Resources ADR	2,185	6.95
		4,910	15.62
	Overseas 78.17%		
	Africa 4.64%		
	Africa Equities 4.64%		
	South Africa Equities 4.64%		
146,208	Gold Fields	274	0.87
55,200	Gold Fields ADR	104	0.33
115,992	Harmony Gold Mining	173	0.55
162,400	Harmony Gold Mining ADR	243	0.77
79,083	Impala Platinum	558	1.77
129,963	Sibanye Gold	91	0.29
28,323	Witwatersrand Consolidated Gold Resources	17	0.06
		1,460	4.64
	Asia Pacific (Excluding Japan) 6.93%		
	Asia Pacific (Excluding Japan) Equities 6.93%		
	Australia Equities 5.82%		
239,995	Beadell Resources	101	0.32
214,332	Evolution Mining	70	0.22
97,472	Independence Group	163	0.52
461,997	Indochine Mining	11	0.04
51,985	Medusa Mining	57	0.18
357,398	Metals X	33	0.11
269,182	Newcrest Mining	1,136	3.61
170,576	Northern Star Resources	72	0.23
44,296	OceanaGold	38	0.12

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Australia Equities (continued)		
243,681	Pacific Niugini	9	0.03
107,219	PanAust	104	0.33
68,231	Papillon Resources	36	0.11
		1,830	5.82
	China Equities 0.29%		
259,500	Zhaojin Mining Industry	90	0.29
	Hong Kong Equities 0.82%		
17,829,000	G-Resources	257	0.82
	Europe 5.57%		
	Europe Equities 5.57%		
	Ireland Equities 3.17%		
247,106	Institutional Cash Series - Institutional Sterling Liquidity Fund	247	0.79
10,426	Source Physical Markets Gold P-ETC	748	2.38
		995	3.17
	Russia Equities 2.40%		
130,000	Polymetal International	753	2.40
	North America 58.53%		
	North America Bonds 0.44%		
	Bermuda Bonds 0.15%		
\$100,000	Aquarius Platinum 4% Convertible Bond 18/12/2015	48	0.15
	Canada Bonds 0.29%		
\$189,000	Banro 10% Bond 01/03/2017	90	0.29
	North America Equities 58.09%		
	British Virgin Island Equities 0.05%		
178,699	Chaarat Gold	16	0.05
	Canada Equities 41.33%		
39,000	Agnico Eagle Mines	612	1.95
47,000	Alamos Gold	335	1.06
146,208	Aureus Mining	45	0.14
341,100	Banro	109	0.35
65,995	Barrick Gold	683	2.17
162,400	Belo Sun Mining	31	0.10
272,900	B2Gold	332	1.06
139,700	Centerra Gold	335	1.06
22,700	Dominion Diamond	194	0.62
469,652	Eldorado Gold	1,575	5.01
7,978	First Quantum Minerals	87	0.28
121,774	Franco-Nevada	2,942	9.36
175,555	Goldcorp	2,222	7.07

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	275	0.88
		Market	Percentage of
		Value	total net assets
		£'000	%
Canada Equities (continued)			
11,181	MAG Silver	35	0.11
186,800	Nevsun Resources	375	1.19
300,000	New Gold	912	2.90
847,500	Romarco Minerals	181	0.58
33,180	Silver Wheaton	401	1.28
254,595	Yamana Gold	1,307	4.16
		12,988	41.33
Mexico Equities 7.82%			
204,051	Fresnillo	1,525	4.85
60,895	Industrias Penoles SAB de CV	932	2.97
		2,457	7.82
United States of America Equities 8.89%			
41,552	Freeport-McMoRan Copper & Gold	947	3.01
22,398	Newmont Mining	311	0.99
29,922	Royal Gold	816	2.60
74,002	Tahoe Resources	720	2.29
		2,794	8.89
South America 2.50%			
South America Equities 2.50%			
Peru Equities 2.50%			
45,680	Cia de Minas Buenaventura	297	0.95
30,000	Cia de Minas Buenaventura ADR	199	0.63
1,182,268	Volcan Cia Minera	289	0.92
		785	2.50
Investment assets		31,282	99.54
Net other assets		144	0.46
Total net assets		31,426	100.00

The sub-fund launched on 30 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 30 April 2013 to 31 December 2013

	Notes	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Income			
Net capital losses	2		(14,343)
Revenue	3	544	
Expenses	4	(534)	
Finance costs: Interest	6	-	
Net revenue before taxation		10	
Taxation	5	(43)	
Net revenue after taxation			(33)
Total return before distributions			(14,376)
Finance costs: Distributions	6		(5)
Change in net assets attributable to shareholders from investment activities			(14,381)

Statement of change in net assets attributable to shareholders

for the period from 30 April 2013 to 31 December 2013

	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	56,164	
Amounts paid on cancellation of shares	(10,354)	
		45,810
Stamp duty reserve tax		(3)
Change in net assets attributable to shareholders from investment activities		(14,381)
Closing net assets attributable to shareholders		31,426

The sub-fund launched on 30 April 2013, therefore no comparatives are included.
The notes on pages 62 to 68 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			31,282
Debtors	7	160	
Cash and bank balances	8	84	
Total other assets			244
Total assets			31,526
Liabilities			
Creditors	9	(100)	
Total liabilities			(100)
Net assets attributable to shareholders			31,426

The sub-fund launched on 30 April 2013, therefore no comparatives are included.
The notes on pages 62 to 68 form an integral part of these financial statements.

Notes to the financial statements

for the period from 30 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual BlackRock Gold & General Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net losses on investments comprise:

Losses on non-derivatives securities	(14,335)
Gains on currency contracts	7
Losses on forward currency contracts	(6)
Handling charges	(9)
Net capital losses on investments	(14,343)

30.04.13 to
31.12.13
£'000

(14,335)
7
(6)
(9)

(14,343)

3 Revenue

Bank and term deposit interest	7
Interest on UK debt securities	10
Non-taxable overseas dividends	350
UK dividends	177
Total revenue	544

30.04.13 to
31.12.13
£'000

7
10
350
177

544

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

30.04.13 to
31.12.13
£'000

492

492

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

3

10

13

Other expenses:

Administration fees

Audit fees

21

8

29

Total expenses

534

* The Audit fee for the period, excluding VAT, was £6,750.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	30.04.13 to 31.12.13 £'000
Overseas tax suffered	43
Total current tax charge for the period (see note 5(b))	43
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	43

b) Factors affecting current tax charge for the period

	30.04.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	10
Corporation tax at 20%	2
Effects of:	
Excess management expenses for which no relief taken	104
Franked investment revenue at 20%	(36)
Non-taxable overseas dividends	(70)
Overseas tax suffered	43
Total current tax charge for the period (see note 5(a))	43

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	30.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £519,924, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	30.04.13 to 31.12.13 £'000
Final (31 December)	-
Revenue deducted on cancellation of shares	6
Revenue received on issue of shares	(1)
Finance costs: Distributions	5
Finance costs: Interest	-
Total finance costs	5
Reconciliation of distributions:	
Net revenue after taxation	(33)
Revenue deficit reimbursed from capital	38
Finance costs: Distributions	5

Details of the final distributions per share are set out in the table on page 69.

7 Debtors

	31.12.13 £'000
Accrued revenue	22
Amounts receivable for issue of shares	138
Total debtors	160

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	84
Total cash and bank balances	84

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	47
Accrued Depositary's fees	1
Accrued expenses	41
Amounts payable for cancellation of shares	11
Total creditors	100

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 60. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	-	1,830	1,830
Canadian Dollar	-	12,980	12,980
Hong Kong Dollar	-	347	347
Mexican Peso	-	931	931
Peruvian Nuevo Sol	-	586	586
South African Rand	-	1,113	1,113
US Dollar	-	7,163	7,163
Total	-	24,950	24,950

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Australian Dollar	-	-	1,830	1,830
Canadian Dollar	-	-	12,980	12,980
Hong Kong Dollar	-	-	347	347
Mexican Peso	-	-	931	931
Peruvian Nuevo Sol	-	-	586	586
Sterling	84	-	6,492	6,576
South African Rand	-	-	1,113	1,113
US Dollar	-	138	7,025	7,163
Total	84	138	31,304	31,526

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Sterling	-	(100)	(100)
Total	-	(100)	(100)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Blackrock Gold & General Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Blackrock Gold & General Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 23.87% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 16.49%, 20.91% and 25.33%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

Notes to the financial statements (continued)

13 Portfolio transaction costs

	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Analysis of total purchase costs		
Purchases in the period before transaction costs		61,061
Commissions	5	
Other costs	4	
Total purchase costs		9
Gross purchases total		61,070
Analysis of total sale costs		
Gross sales in the period before transaction costs		15,477
Commissions	(15)	
Total sale costs		(15)
Total sales net of transaction costs		15,462

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual BlackRock Gold & General Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 55.

Distribution Table

Final distribution

Group 1: Shares purchased on 30 April 2013
 Group 2 : Shares purchased from 1 May 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Bond 1 Fund

Launch date	20 August 2003
Sector classification	IMA £ Strategic Bond
Investment adviser	TwentyFour Asset Management LLP
Net asset value	£284,725,399

Objective

To achieve a combination of income and capital growth through investment in a well-diversified portfolio consisting of predominantly sterling denominated fixed interest securities. The sub-fund is permitted to invest in overseas bonds and any non-sterling currency exposure will be hedged back into sterling to remove the risk of exchange rate fluctuation.

Policy

The sub-fund predominantly invests in a well diversified portfolio of UK fixed interest securities. The Company has appointed a specialist manager to manage the sub-fund, and continuously monitors this appointment. Investments may be made through collective investment schemes or through directly invested portfolios.

The sub-fund may invest in derivative instruments and forward transactions for the purposes of meeting the investment objective and/or efficient portfolio management.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value per share in pence and the number of shares in existence at the end of the accounting year. Shares were first issued at 50p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.11			
Income 'A'	£143,072,481	379,327,147	37.72
31.12.12			
Income 'A'	£216,347,305	492,660,893	43.91
31.12.13			
Income 'A'	£284,725,399	619,707,221	45.95

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below:

Calendar year	Highest price	Lowest price
2009		
Income 'A'	42.40	35.04
2010		
Income 'A'	44.75	42.02
2011		
Income 'A'	43.40	36.79
2012		
Income 'A'	45.05	38.08
2013		
Income 'A'	46.86	43.80

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2009	
Income 'A'	1.9697
2010	
Income 'A'	1.7434
2011	
Income 'A'	1.8927
2012	
Income 'A'	2.2801
2013	
Income 'A'	2.2260
2014*	
Income 'A'	0.4468

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's Review

The sub-fund recorded a positive absolute return and outperformed its peer group and benchmark for the first six months of 2013 despite the strong bout of volatility in the final months. Prior to this, UK bonds continued to be underpinned by the rather weak market background and continued (quantitative easing) QE. In March the portfolio managers elected to increase exposure to hedging positions with a view to mitigating tail risk should it become a more dominant feature of the markets. Consequently a euro currency short was put in place alongside a position in the Crossover Index and a short in French sovereigns. Cash balances were also increased with a view to deploying opportunistically in the event of bad news. With a strong pipeline of new issues in the spring, the managers were quite active in rebalancing their favourite names, particularly in the insurance sector where a raft of new issuance was met with very strong demand. Also in April the managers added ten-year Australian government bonds to the portfolio on a currency-hedged basis. After their long run of strength, the managers trimmed the high yield holding and added a little additional bank capital to take advantage of relative value opportunities in May. The managers also added to the short euro/dollar position as the US economy remained stronger than the eurozone's. Investor fears sparked by worries of an end to QE in the US led to a downturn in liquidity and a systemic price correction across all sectors of the fixed income bond markets in May and June. As a result, the portfolio was subject to some weakness during these months.

Along with the pick-up in sentiment, market liquidity also improved in July and the managers took the opportunity to reinvest the bulk of the cash position they had been running. The on-going strategy of running US\$ interest swap positions to reduce duration was maintained. Portfolio activity was relatively limited in August, as portfolios were well set up for a softer rates market. The portfolio managers did take the opportunity to invest most of the remaining cash balances but outside of this, relative value switches were difficult to find due to the fairly limited liquidity in the summer markets. Performance in August was roughly flat. The large supply volume presented numerous opportunities for the portfolio managers to take advantage of new names coming to the market in September. Sector changes were marginal but several new positions were added during the month where relative value switches were compelling. Existing positions were also added to. The portfolio was well exposed to the credit tightening which occurred, but was less exposed to the broad rally in the underlying rates markets due to the hedges that remained in place.

With the uncertainty of the partial US government shutdown, new issue supply was not as high as expected in October and with investor demand remaining buoyant, credit spreads performed well. The composition of the portfolio was ideally positioned to take advantage of the low market volatility and spread compression, and the fund performed well. The sector weightings were relatively unchanged and the managers took advantage of the better value in secondary markets when investing cash and continued to avoid most of the new high yield issuance. The portfolio was well positioned for the credit rally and enjoyed a positive return in October. But conditions became more challenging in November and in December.

Old Mutual Bond 1 Fund

Investment Manager's Review (continued)

With markets remaining active, a good stream of new issue flow combined with another strong month of subscriptions into the fund, the PMs were kept busy right up until the Christmas week. A gradual bias towards financials at the expense of high yield corporates was executed as the supply of suitable new Basel 3 compliant issues were brought to market. Additionally the managers further increased the interest rate hedges, with the result that interest rate duration on the sub-fund declined to below 1.5 in December. Higher risk assets performed relatively strongly in the final month and the portfolio was also well positioned to take advantage of the weakness in Government bonds, so the fund ended the month and the year with a positive return.

Risk and Reward Profile

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Credit risk - the issuer of a Bond or a similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund may use techniques to try to eliminate the effects of changes in the exchange rate between the currency of the underlying investments and the base currency (i.e. the reporting currency) of the sub-fund. These techniques may not eliminate all the currency risk.

Derivative risk - the sub-fund may use derivatives to generate returns as well as to reduce costs and/or the overall risk of the sub-fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Portfolio allocation

Europe	61.97%
United Kingdom	28.33%
North America	4.08%
Derivatives	0.57%
Net other assets	5.05%

Total 100.00%

Asset allocation

Euro Debt Securities	44.82%
Sterling Debt Securities	36.90%
US Dollar Debt Securities	12.66%
Derivatives	0.57%

Net other assets 5.05%

Total 100.00%

Major holdings

Percentage of portfolio

Generali Finance 6.214% Guaranteed Perpetual Bonds	3.86%
Societe Generale 8.25% Perpetual Subordinated European Medium Term Bonds	3.63%
LBG Capital No.1 11.04% Guaranteed Bonds 19/03/2020	3.24%
BBVA Consumo 2 Fondo de Titulizacion de Activos 0.47% Floating Rate Bonds 20/12/2020	2.73%
Old Mutual 8% Subordinated European Medium Term Bonds 03/06/2021	2.71%
Banco Bilbao Vizcaya Argentaria 9% Perpetual Subordinated Bonds	2.61%
RL Finance 6.125% Guaranteed Perpetual Bonds	2.54%
Scottish Widows 5.125% Perpetual Subordinated Bonds	2.33%
AXA 6.6666% Perpetual Subordinated European Medium Term Bonds	2.24%
UNIQA Insurance 6.875% Subordinated European Medium Term Bonds 31/07/2043	2.22%

Number of holdings 79

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	0.99%
31.12.13 Income 'A'	0.97%

* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 37.23% (31 December 2012 40.15%)			
Sterling Denominated Corporate Bonds 36.90% (31 December 2012 40.82%)			
Sterling Denominated Fixed Rate Corporate Bonds 32.21% (31 December 2012 36.62%)			
£2,840,000	America MovilCV 6.375% Subordinated Bonds 06/09/2073	2,941	1.03
£6,095,000	AXA 6.6666% Perpetual Subordinated European Medium Term Bonds	6,377	2.24
£3,575,000	Barclays Bank 14% Perpetual Subordinated Bonds	4,745	1.67
£2,315,000	Barclays SLCSM Funding 6.14% Guaranteed Perpetual European Medium Term Bonds	2,340	0.82
£2,500,000	CNP Assurances 7.375% Subordinated Bonds 30/09/2041	2,750	0.97
£5,000,000	Credit Agricole 8.125% Perpetual Subordinated Bonds	5,465	1.92
£11,200,000	Generali Finance 6.214% Guaranteed Perpetual Bonds	10,995	3.86
£8,075,000	LBG Capital No.1 11.04% Guaranteed Bonds 19/03/2020	9,218	3.24
£1,000,000	LBG Capital No.2 12.75% Guaranteed Bonds 10/08/2020	1,166	0.41
£4,100,000	Liverpool Victoria Friendly Society 6.5% Subordinated Bonds 22/05/2043	3,855	1.35
£20,000	Nationwide Building Society 10.25% Perpetual Subordinated Bonds	2,292	0.80
£3,981,000	Nationwide Building Society 6% Perpetual Subordinated Bonds	3,951	1.39
£2,500,000	New Look Bondco I 8.75% Senior Bonds 14/05/2018	2,639	0.93
£7,250,000	Old Mutual 8% Subordinated European Medium Term Bonds 03/06/2021	7,711	2.71
£7,169,000	RL Finance 6.125% Guaranteed Perpetual Bonds	7,238	2.54
£4,150,000	RSA Insurance 6.701% Guaranteed Perpetual Bonds	4,215	1.48
£6,650,000	Scottish Widows 5.125% Perpetual Subordinated Bonds	6,623	2.33
£1,000,000	UniCredit International Bank Luxembourg 8.5925% Guaranteed Perpetual Bonds	1,026	0.36
£6,000,000	Virgin Media Secured Finance 6% Senior Bonds 15/04/2021	6,162	2.16
		91,709	32.21
Sterling Denominated Variable Rate Corporate Bond 4.69% (31 December 2012 4.20%)			
£5,192,000	Paragon Secured Finance 2.50563% Collateralised Mortgage Obligation Floating Rate Bonds	4,822	1.69
£1,750,000	Residential Mortgage Securities 22 1.40563% Collateralised Mortgage Obligation Floating Rate Bonds	1,531	0.54
£1,000,000	Santander Finance Preferred 11.3% Guaranteed Perpetual Bonds	1,035	0.36
£6,300,000	Whinstone Capital Management 3.15438% Guaranteed Floating Rate Bonds	5,969	2.10
		13,357	4.69
Sterling Denominated Derivatives 0.33% (31 December 2012 (0.67%))			
Sterling Denominated Open Forward Exchange Contracts 0.33% (31 December 2012 (0.37%))			
£137,453,808	Sterling v Euro Forward Exchange Contract	525	0.18
£577,871	Sterling v Euro Forward Exchange Contract	14	0.01
£3,000,927	Sterling v Euro Forward Exchange Contract	13	-
£267,086	Sterling v Euro Forward Exchange Contract	5	-
£37,231,188	Sterling v US Dollar Forward Exchange Contract	388	0.14
£305,714	Sterling v US Dollar Forward Exchange Contract	3	-
		948	0.33
Sterling Denominated Interest Rate Swap 0.00% (31 December 2012 (0.30%))			
Overseas 57.72% (31 December 2012 57.09%)			
Europe 44.80% (31 December 2012 52.69%)			
Euro Denominated Corporate Bonds 44.82% (31 December 2012 52.00%)			

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds 19.81% (31 December 2012 31.55%)			
€3,000,000	Abengoa Finance 8.875% Guaranteed European Medium Term Bonds 05/02/2018	2,705	0.95
€4,700,000	America Movil CV 6.375% Subordinated Bonds 06/09/2073	4,171	1.47
€2,600,000	Bank of Ireland 10% Subordinated European Medium Term Bonds 12/02/2020	2,518	0.88
€1,500,000	Barclays 8% Perpetual Subordinated Bonds	1,287	0.45
€5,000,000	Bombardier 6.125% Senior European Medium Term Bonds 15/05/2021	4,509	1.58
€3,200,000	Cable Communications Systems 7.5% Senior Bonds 01/11/2020	2,732	0.96
€900,000	Codere Finance Luxembourg 8.25% Senior Bonds 15/06/2015	415	0.15
€2,600,000	Codere Finance Luxembourg 8.25% Senior Bonds 15/06/2015	1,219	0.43
€2,200,000	FTE Verwaltungs 9% Senior Bonds 15/07/2020	2,007	0.70
€6,250,000	ING Groep 8% Perpetual Subordinated European Medium Term Bonds	5,353	1.88
€3,500,000	Intesa Sanpaolo 9.5% Perpetual Subordinated Bonds	3,113	1.09
€3,000,000	La Financiere Atalian 7.25% Senior Bonds 15/01/2020	2,644	0.93
€1,500,000	Nara Cable Funding 8.875% Senior Bonds 01/12/2018	1,355	0.48
€1,700,000	New World Resources 7.875% Senior Bonds 01/05/2018	1,067	0.37
€1,600,000	New World Resources 7.875% Senior Bonds 15/01/2021	520	0.18
€3,069,000	NorCell 1B 12.4% Senior Bonds 01/12/2019	2,723	0.96
€1,592,500	Numericable Finance 12.375% Senior Bonds 15/02/2019	1,612	0.57
€3,250,000	Oberthur Technologies SAS 9.25% Senior Bonds 30/04/2020	2,850	1.00
€2,250,000	Takko Luxembourg 2 S.C.A 9.875% Senior European Medium Term Bonds 15/04/2019	1,835	0.65
€2,800,000	TMF 9.875% Guaranteed Bonds 01/12/2019	2,525	0.89
€7,100,000	UNIQA Insurance 6.875% Subordinated European Medium Term Bonds 31/07/2043	6,336	2.22
€3,322,000	Wind Acquisition Finance 12.25% Senior Bonds 15/07/2017	2,911	1.02
		56,407	19.81
Euro Denominated Fixed Rate Government 0.00% (31 December 2012 4.96%)			
Euro Denominated Variable Rate Corporate Bond 25.01% (31 December 2012 15.49%)			
€1,084,000	Bankinter 6 Fondo de Titulizacion de Activos 1.549% Floating Rate Bonds 26/08/2038	720	0.25
€9,900,000	BBVA Consumo 2 Fondo de Titulizacion de Activos 0.47% Floating Rate Bonds 20/12/2020	7,773	2.73
€2,821,000	BBVAL Floating Rate Bonds 26/05/2031	2,290	0.80
€4,500,000	Credit Logement 1.427% Perpetual Subordinated Floating Rate Bonds	3,016	1.06
€4,555,000	DEPFA Bank 0.977% Subordinated Floating Rate European Medium Term Bonds 15/12/2015	3,340	1.17
€2,950,000	Dolphin Master Issuer 8.222% Collateralised Mortgage Obligation Floating Rate Bonds	2,491	0.88
€1,500,000	Dryden Leveraged Loan CDO Floating Rate Bonds 15/01/2026	1,193	0.42
€2,000,000	Dryden X-Euro 2005 2.053% Collateralised Loan Obligations Floating Rate Bonds 25/01/2022	1,418	0.50
€2,000,000	Dryden XV-Euro 2006 1.729% Collateralised Loan Obligations Floating Rate Bonds 15/04/2023	1,370	0.48
€4,900,000	Eurocredit VIII 3.58% Collateralised Debt Obligation Bonds 04/12/2020	3,613	1.27
€5,000,000	Halcyon Structured Asset Management European CLO Floating Rate Bonds 21/06/2021	3,613	1.27
€3,600,000	Harvest CLO III-A Floating Rate Bonds 08/06/2021	2,463	0.87
€5,450,000	Harvest CLO III-A Floating Rate Bonds 08/06/2021	3,860	1.36
€3,000,000	Holland Mortgage Backed Series Hermes X 0.609% Floating Rate Bonds	2,395	0.84
€792,000	Holland Mortgage Backed Series Hermes XI 0.959% Floating Rate Bonds	632	0.22
€900,000	Holland Mortgage Backed Series Hermes XII 0.599% Floating Rate Bonds	685	0.24
€1,000,000	Holland Mortgage Backed Series Hermes XV 9.21% Floating Rate Bonds	863	0.30
€4,549,000	Italfinance Securitisation Vehicle SRL 0.507% Floating Rate Bonds	3,516	1.23
€5,000,000	Jubilee CLO Floating Rate Bonds 15/08/2025	3,754	1.32
€4,200,000	Leo-Mesdag 0.391% Floating Rate Notes	3,306	1.16
€1,700,000	Leo-Mesdag 0.53% Floating Rate Notes	1,239	0.44
€2,700,000	Leo-Mesdag 0.74% Floating Rate Notes	1,912	0.67
€4,000,000	Mercator I 1.967% Collateralised Loan Obligation Floating Rate Bonds 12/10/2023	2,832	0.99
€6,000,000	Mercator II 1.802% Collateralised Loan Obligation Floating Rate Bonds 18/02/2024	4,049	1.42
€1,000,000	Mercator II 4.152% Collateralised Loan Obligation Floating Rate Bonds 18/02/2024	671	0.24
€2,000,000	RMFE Euro CDO IV Floating Rate Bonds 11/09/2013	1,450	0.51

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Variable Rate Corporate Bond (continued)			
€5,600,000	Ruralpyme 2 FTPYME Fondo de Titulizacion de Activos 0.507% Floating Rate Bonds 25/04/2030	4,311	1.51
€3,100,000	Whinstone Capital Management 2.857% Guaranteed Floating Rate Bonds	2,447	0.86
		71,222	25.01
Euro Denominated Derivatives (0.02)% (31 December 2012 0.11%)			
Euro Denominated Interest Rate Swap 0.00% (31 December 2012 (0.03)%)			
Euro Denominated Open Forward Exchange Contracts (0.02%) (31 December 2012 0.14%)			
€313,938	Euro v Sterling Forward Exchange Contract	(6)	-
€676,906	Euro v Sterling Forward Exchange Contract	(14)	-
€8,100,000	Euro v Sterling Forward Exchange Contract	(49)	(0.02)
		(69)	(0.02)
Swiss Franc Denominated Corporate Bond 0.00% (31 December 2012 0.58%)			
North America 12.92% (31 December 2012 4.40%)			
US Dollar Denominated Corporate Bonds 12.66% (31 December 2012 4.41%)			
US Dollar Denominated Fixed Rate Corporate Bonds 12.66% (31 December 2012 4.41%)			
\$7,200,000	Aviva 8.25% Perpetual Subordinated Bonds	4,768	1.68
\$11,400,000	Banco Bilbao Vizcaya Argentaria 9% Perpetual Subordinated Bonds	7,434	2.61
\$7,700,000	Credit Suisse 6.5% Subordinated Bonds 08/08/2023	4,950	1.74
\$7,000,000	Gazprom OAO Via Gaz Capital 9.25% Senior Bonds 23/04/2019	5,220	1.83
\$4,800,000	Natixis 10% Perpetual Subordinated Bonds	3,340	1.17
\$15,950,000	Societe Generale 8.25% Perpetual Subordinated European Medium Term Bonds	10,327	3.63
		36,039	12.66
US Dollar Denominated Derivatives 0.26% (31 December 2012 (0.01)%)			
\$25,000,000.00	USD Interest rate swap	131	0.05
\$15,000,000.00	USD Interest rate swap	382	0.13
\$10,000,000.00	USD Interest rate swap	185	0.07
\$10,000,000.00	USD Interest rate swap	73	0.03
\$15,000,000.00	USD Interest rate swap	95	0.03
\$15,000,000.00	USD Interest rate swap	(138)	(0.05)
		728	0.26
Investment assets*		270,341	94.95
Net other assets		14,384	5.05
Total net assets		284,725	100.00

* Including investment liabilities

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the year from 1 January 2013 to 31 December 2013

	Notes	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Income					
Net capital gains	2		14,196		26,768
Revenue	3	15,538		11,380	
Expenses	4	(2,541)		(1,672)	
Finance costs: Interest	6	(6)		(3)	
Net revenue before taxation		12,991		9,705	
Taxation	5	-		-	
Net revenue after taxation			12,991		9,705
Total return before distributions			27,187		36,473
Finance costs: Distributions	6		(15,532)		(11,377)
Change in net assets attributable to shareholders from investment activities			11,655		25,096

Statement of change in net assets attributable to shareholders

for the year from 1 January 2013 to 31 December 2013

	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Opening net assets attributable to shareholders		216,347		143,072
Amounts received on issue of shares	62,924		63,146	
Amounts paid on cancellation of shares	(6,201)		(14,967)	
		56,723		48,179
Change in net assets attributable to shareholders from investment activities		11,655		25,096
Closing net assets attributable to shareholders		284,725		216,347

The notes on pages 77 to 83 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets					
Investment assets			270,548		212,331
Debtors	7	4,811		3,704	
Cash and bank balances	8	14,048		8,201	
Total other assets			18,859		11,905
Total assets			289,407		224,236
Liabilities					
Investment liabilities			(207)		(1,945)
Creditors	9	(1,006)		(3,325)	
Bank Overdrafts		(700)		-	
Distribution payable on income shares		(2,769)		(2,619)	
Total other liabilities			(4,475)		(5,944)
Total liabilities			(4,682)		(7,889)
Net assets attributable to shareholders			284,725		216,347

The notes on pages 77 to 83 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 January 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Bond 1 Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Gains on non-derivatives securities	12,658	28,416
(Losses)/Gains on currency contracts	(749)	308
Gains/(losses) on derivative contracts	69	(977)
Gains/(losses) on forward currency contracts	2,220	(971)
Handling charges	(2)	(8)
Net capital gains on investments	14,196	26,768

3 Revenue

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Bank and term deposit interest	2	1
Credit default swap income	-	(43)
Interest from overseas debt securities	10,343	7,388
Interest from UK debt securities	5,962	4,138
Interest rate swap income	(769)	(104)
Total revenue	15,538	11,380

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge	2,355	1,529
	2,355	1,529

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees	33	22
Safe custody fees	4	13
	37	35

Other expenses:

Administration fees	129	91
Audit fees	13	12
Reclaim of VAT	-	(1)
Legal Fees	7	-
Risk & compliance monitoring fees	-	6
	149	108

Total expenses

	2,541	1,672
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* The Audit fee for the year, excluding VAT, was £10,700 (31 December 2012: £9,576).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Overseas tax direct charge	-	-
Total current tax charge for the year (see note 5(b))	-	-
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year	-	-

b) Factors affecting current tax charge for the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:		
Net revenue before taxation	12,991	9,705
Corporation tax at 20% (31 December 2012: 20%)	2,598	1,941
Effects of:		
Tax deductible interest distributions	(2,598)	(1,941)
Total current tax charge for the year (see note 5(a))	-	-

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.01.13 to 31.12.13	01.01.12 to 31.12.12
Deferred tax at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax at the end of the year	-	-

At 31 December 2013 the sub-fund had surplus management expenses of £4,930,731 (31 December 2012: £4,930,731), which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
First Interim (31 March)	4,265	3,050
Second Interim (30 June)	5,034	2,948
Third Interim (30 September)	2,305	2,572
Final (31 December)	4,197	3,221
	15,801	11,791
Revenue deducted on cancellation of shares	45	116
Revenue received on issue of shares	(314)	(530)
Finance costs: Distributions	15,532	11,377
Finance costs: Interest	6	3
Total finance costs	15,538	11,380
Reconciliation of distributions:		
Net revenue after taxation	12,991	9,705
Capitalised fees	2,541	1,672
Finance costs: Distributions	15,532	11,377

Details of the interim and final distributions per share are set out in the table on page 84.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued revenue	4,431	3,290
Amounts receivable for issue of shares	380	414
Total debtors	4,811	3,704

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Amounts held at futures clearing houses and brokers	-	720
Cash and bank balances	14,048	7,481
Total cash and bank balances	14,048	8,201

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	219	161
Accrued Depositary's fees	3	2
Accrued expenses	81	43
Amounts payable for cancellation of shares	-	20
Income tax payable	703	694
Purchases awaiting settlement	-	2,405
Total creditors	1,006	3,325

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 75. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and floating rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may invest in derivative instruments in the form of interest rate swaps, credit default swaps, futures contracts and/or forward foreign exchange contracts. The investment in these instruments may alter the exposure of the sub-fund to market, credit, interest rate and/or currency risk. These derivative instruments are used not for speculative purposes but rather for the purpose of meeting the investment objective and/or efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 (31 December 2012) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000	31.12.12 £'000
Euro	2,853	(3,586)	(733)	(1,428)	1,337	(91)
Swiss Franc	-	-	-	70	1,263	1,333
US Dollar	427	33	460	735	2,901	3,636
Total	3,280	(3,553)	(273)	(623)	5,501	4,878

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 (31 December 2012) was as follows:

Currency	Floating rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
31.12.13				
Euro	74,425	56,407	9,529	140,361
Sterling	23,775	91,709	181,281	296,765
US Dollar	1,293	36,039	412	37,744
Total	99,493	184,155	191,222	474,870

Currency	Floating rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
31.12.12				
Euro	17,103	95,646	21,180	133,929
Sterling	69,068	25,699	144,523	239,290
Swiss Franc	70	1,263	-	1,333
US Dollar	5,462	4,804	1,975	12,241
Total	91,703	127,412	167,678	386,793

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000
31.12.13			
Euro	(350)	(140,744)	(141,094)
Sterling	(350)	(11,417)	(11,767)
US Dollar	(138)	(37,146)	(37,284)
Total	(838)	(189,307)	(190,145)

31.12.12			
Euro	(100)	(133,920)	(134,020)
Sterling	(629)	(27,190)	(27,819)
US Dollar	-	(8,605)	(8,605)
Total	(729)	(169,715)	(170,444)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Euro	8.61%	13.70 years
Euro Fixed Perpetual	8.48%	-
Euro Variable	2.12%	14.24 years
Euro Variable Perpetual	1.43%	-
Sterling	8.30%	14.93 years
Sterling Fixed Perpetual	7.21%	-
Sterling Variable	3.29%	31.69 years
Sterling Variable Perpetual	11.30%	-
US Dollar	7.91%	7.40 years
US Dollar Fixed Perpetual	8.69%	-
2012		
Euro	6.40%	10.56 years
Euro Variable	3.87%	22.95 years
Sterling	7.21%	24.21 years
Sterling Variable	1.88%	29.71 years
Swiss Franc	7.88%	5.09 years
US Dollar	1.07%	42.00 years
US Dollar Variable	8.59%	16.14 years

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated bonds was 52.00%. (Source: Old Mutual Global Investors Limited/Factset)

Analysis of bonds	£'000	%
Investment Grade	148,084	52.00
Below Investment Grade	108,433	38.09
Unrated	12,217	4.29
	268,734	94.38%

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and financial liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Bond 1 Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Bond 1 Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 3.93% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 2.11%, 3.40% and 4.39%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 18.93%.

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 December 2012: £Nil).

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current year and prior year.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Bond 1 Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 70.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 October 2013
 Group 2: Shares purchased from 1 October 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share	Distribution paid 28.02.13 pence per share
Income 'A' Shares						
Group 1	0.5585	0.1117	0.4468	-	0.4468	0.5316
Group 2	0.3785	0.0757	0.3028	0.1440	0.4468	0.5316

Third Interim distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 30 September 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.11.13 pence per share	Distribution paid 30.11.12 pence per share
Income 'A' Shares						
Group 1	0.7044	0.1409	0.5635	-	0.5635	0.4891
Group 2	0.3681	0.0736	0.2945	0.2690	0.5635	0.4891

Second Interim distribution

Group 1: Shares purchased prior to 1 April 2013
 Group 2: Shares purchased from 1 April 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share	Distribution paid 31.08.12 pence per share
Income 'A' Shares						
Group 1	0.7546	0.1509	0.6037	-	0.6037	0.5717
Group 2	0.6221	0.1244	0.4977	0.1060	0.6037	0.5717

First Interim distribution

Group 1: Shares purchased prior to 1 January 2013
 Group 2: Shares purchased from 1 January 2013 to 31 March 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.13 pence per share	Distribution paid 31.05.12 pence per share
Income 'A' Shares						
Group 1	0.6590	0.1318	0.5272	-	0.5272	0.6622
Group 2	0.3395	0.0679	0.2716	0.2556	0.5272	0.6622

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

Old Mutual Bond 2 Fund

Launch date	19 April 2002
Sector classification	UK Corporate Bonds
Investment adviser	FIL Pensions Management Limited
Net asset value	£222,885,908

Objective

To achieve total return from a combination of income and capital growth through investment in a well-diversified portfolio consisting predominantly of sterling denominated (or hedged back to sterling) debt securities.

Policy

The Company has appointed a specialist manager to manage the sub-fund, and continuously monitors this appointment. Investments may be made through collective investment schemes or through directly invested portfolios.

The sub-fund may invest in derivative instruments and forward transactions for the purposes of meeting the investment objective and/or efficient portfolio management.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value per share in pence and the number of shares in existence at the end of the accounting year. Shares were first issued at 50p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.11			
Accumulation 'A'	£195,147,818	289,262,404	67.46
Income 'A'	£17,477,735	41,570,756	42.04
31.12.12			
Accumulation 'A'	£223,804,650	296,450,204	75.49
Income 'A'	£22,017,334	48,797,200	45.12
31.12.13			
Accumulation 'A'	£213,209,839	285,634,303	74.64
Income 'A'	£9,676,069	22,770,792	42.49

Comparative table

The table below shows the highest and lowest share prices per share in pence for the calendar year indicated below.

Calendar year	Highest price	Lowest price
2009		
Accumulation 'A'	59.87	46.98
Income 'A'	41.93	33.86
2010		
Accumulation 'A'	66.58	58.44
Income 'A'	44.34	39.88
2011		
Accumulation 'A'	68.38	62.79
Income 'A'	43.55	40.88
2012		
Accumulation 'A'	76.21	67.45
Income 'A'	46.49	42.04
2013		
Accumulation 'A'	79.27	73.74
Income 'A'	47.36	43.16

The table below shows the net revenue distributed/accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2009	
Accumulation 'A'	3.0660
Income 'A'	2.2542
2010	
Accumulation 'A'	3.0069
Income 'A'	2.0800
2011	
Accumulation 'A'	2.8368
Income 'A'	1.8708
2012	
Accumulation 'A'	2.9081
Income 'A'	1.8326
2013	
Accumulation 'A'	2.9834
Income 'A'	1.8312
2014*	
Accumulation 'A'	1.4502
Income 'A'	0.8392

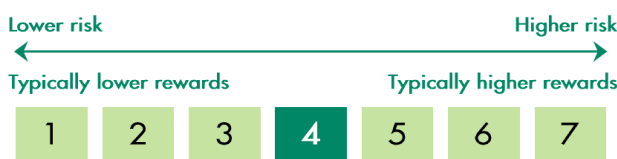
* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The sub-fund underperformed its benchmark index over the review period primarily due to the interest rate strategy. A small cross-market exposure to US dollar duration also hurt performance. Sectorwise, the underweight position in the banking sector proved detrimental although the sub-fund's overweight position in insurers Aviva, Scottish Widows and Swiss Re made a positive contribution. The overweight in BBB rated bonds of Great Rolling Stock in the transportation sector and Tesco within the consumer discretionary also added value over the review period. In terms of our outlook, while the UK recovery gathers momentum, the potential to achieve a growth rate similar to long-term historical averages is restricted by significant structural weakness in our view. Rebalancing towards investment-led growth has been slow and the massive debt overhang still restricts potential for growth. The Manager believes this fragility will limit the extent to which Gilt yields can rise before they start hurting the recovery.

Risk and Reward Profile

Risk and Reward Profile



The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the sub-fund. The risk category shown is not guaranteed and may change over time. A category 1 sub-fund is not a risk-free investment - the risk of losing your money is small, but the chance of making gains is also limited. With a category 7 sub-fund, the risk of losing your money is high but there is also a chance of making high gains. The seven-category scale is complex, for example, 2 is not twice as risky as 1.

The sub-fund is in category 4 as it mainly invests in debt securities issued by companies; these investments have additional risks as listed below. These factors may increase the value of the investments or expose the sub-fund to losses.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Credit risk - if any of the companies or governments issuing the debt securities becomes insolvent or experiences financial or economic difficulties, this may affect the value of the relevant securities, which may in turn affect the value of your investment. Bonds which are rated below investment-grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - changes in market interest rates will affect the value of debt securities held by the sub-fund. Generally, the market value of debt securities decreases when interest rates rise and increases when interest rates fall.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in other currencies. The hedging process may not give a precise hedge, and some currency risk may remain - the value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the use of derivatives may result in gains or losses that are greater than the original amount invested. Derivatives also involve counterparty risk - the risk to each party of a contract that the other party will not meet its contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United Kingdom	65.06%
Europe	17.15%
North America	14.11%
Asia Pacific (Excluding Japan)	0.83%
Derivatives	0.26%
Net other assets	2.59%
Total	100.00%

Asset allocation

Sterling Debt Securities	82.54%
Euro Debt Securities	5.47%
US Dollar Debt Securities	9.14%
Derivatives	0.26%
Net other assets	2.59%
Total	100.00%

Major holdings

Major holdings	Percentage of portfolio
Aspire Defence Finance 4.674% Bonds 31/03/2040	1.97%
United Kingdom Gilt 6% Bonds 07/12/2028	1.58%
Lloyds Bank 6% Guaranteed Bonds 08/02/2030	1.23%
United Kingdom Gilt 4.25% Bonds 07/06/2032	1.23%
Great Rolling Stock 6.875% Senior European Medium Term Bonds 27/07/2035	1.22%
Russian Railways 7.487% Senior Bonds 25/03/2031	1.21%
Verizon Communications 6.55% Senior Bonds 15/09/2043	1.11%
Tesco Property Finance 3 5.744% Mortgage-Backed Bonds 13/04/2040	1.01%
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/04/2022	1.00%
Deutsche Telekom International Finance 6.5% Guaranteed European Medium Term Bonds 08/04/2022	0.96%

Number of holdings 335

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	1.00%
31.12.12 Accumulation 'A'	1.00%
31.12.13 Income 'A'	0.97%
31.12.13 Accumulation 'A'	0.97%

* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

All information is at 31 December 2013 unless otherwise stated.

Portfolio Statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 82.74% (31 December 2012 86.24%)			
Sterling Denominated Corporate Bond 73.91% (31 December 2012 80.03%)			
Sterling Denominated Fixed Rate Corporate Bond 72.46% (31 December 2012 80.03%)			
£415,000	AA 4.2487% Senior European Medium Term Bonds 31/07/2043	408	0.18
£1,537,000	AA 4.7201% Senior European Medium Term Bonds 02/07/2043	1,594	0.72
£1,993,000	Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/04/2022	2,221	1.00
£955,000	Abbey National Treasury Services 5.25% Guaranteed European Medium Term Bonds 16/02/2030	1,067	0.48
£664,000	Abbey National Treasury Services 5.75% Guaranteed European Medium Term Bonds 02/03/2027	776	0.35
£748,000	ABP Finance 6.25% Senior European Medium Term Bonds 14/12/2026	846	0.38
£125,000	America MovilCV 5% Senior Bonds 27/10/2026	130	0.06
£540,000	American International 5% Senior European Medium Term Bonds 26/04/2023	580	0.26
£332,000	Amgen 4% Senior Bonds 13/09/2029	307	0.14
£581,000	Anglian Water Services Financing 4.5% Senior European Medium Term Bonds 05/10/2027	585	0.26
£166,000	Anglian Water Services Financing 5.837% Senior European Medium Term Bonds 30/07/2022	191	0.09
£581,000	Anheuser-Busch InBev 4% Guaranteed European Medium Term Bonds 24/09/2025	576	0.26
£100,000	Annington Finance No 1 8% Bonds 02/10/2021	122	0.05
£374,000	Arqiva Financing 4.04% Senior European Medium Term Bonds 30/06/2035	372	0.17
£831,000	Arqiva Financing 4.882% Senior European Medium Term Bonds 31/12/2032	819	0.37
£4,444,000	Aspire Defence Finance 4.674% Bonds 31/03/2040	4,385	1.97
£415,000	Assicurazioni Generali 6.269% Perpetual Subordinated Bonds	376	0.17
£498,000	Assicurazioni Generali 6.416% Perpetual Subordinated Bonds	465	0.21
£83,000	Aviva 5.9021% Perpetual Subordinated Bonds	83	0.04
£1,952,000	Aviva 6.125% Perpetual Subordinated Bonds	2,004	0.90
£914,000	Aviva 6.875% Subordinated European Medium Term Bonds 20/05/2058	1,009	0.45
£83,000	AWG Parent 6.875% Guaranteed Bonds 21/08/2023	102	0.05
£83,000	Bank of Scotland 10.5% Subordinated Bonds 16/02/2018	102	0.05
£83,000	Bank of Scotland 11% Subordinated Bonds 17/01/2014	83	0.04
£623,000	Bank of Scotland 4.875% Guaranteed European Medium Term Bonds 08/11/2016	680	0.30
£83,000	Bank of Scotland 4.875% Guaranteed European Medium Term Bonds 20/12/2024	91	0.04
£1,059,000	Barclays Bank 4.25% Guaranteed European Medium Term Bonds 12/01/2022	1,120	0.50
£150,000	Barclays Bank 6% Perpetual Subordinated Bonds	140	0.06
£415,000	Barclays Bank 6% Perpetual Subordinated Bonds	375	0.17
£831,000	Barclays SLCSM Funding 6.14% Guaranteed Perpetual European Medium Term Bonds	840	0.38
£789,000	BAT International Finance 6% Guaranteed European Medium Term Bonds 24/11/2034	941	0.42
£1,246,000	BAT International Finance 6.375% Guaranteed European Medium Term Bonds 12/12/2019	1,468	0.66
£789,000	BAT International Finance 7.25% Guaranteed European Medium Term Bonds 12/03/2024	996	0.45
£1,081,000	Bishopsgate Asset Finance 4.808% Bonds 14/08/2044	967	0.43
£623,000	BL Superstores Finance 4.482% Bonds 04/10/2030	654	0.29
£498,000	BNP Paribas 5.945% Perpetual Subordinated Bonds	510	0.23
£831,000	British Land 5.357% Bonds 31/03/2028	833	0.37
£540,000	British Telecommunications 6.375% Senior European Medium Term Bonds 23/06/2037	646	0.29
£83,000	British Telecommunications 6.625% Senior European Medium Term Bonds 23/06/2017	95	0.04
£415,000	British Telecommunications 8.5% Senior Bonds 07/12/2016	490	0.22
£83,000	Cellco Partnership Verizon Wireless Capital 8.875% Senior Bonds 18/12/2018	106	0.05
£478,000	Centrica 4.25% Senior European Medium Term Bonds 12/09/2044	437	0.20
£125,000	Centrica 4.375% Senior European Medium Term Bonds 13/03/2029	122	0.05
£830,000	Centrica 6.375% Senior European Medium Term Bonds 10/03/2022	973	0.44
£166,000	Centrica 6.4% Senior European Medium Term Bonds 04/09/2026	195	0.09
£1,163,000	Clydesdale Bank 4.625% Guaranteed European Medium Term Bonds 08/06/2026	1,207	0.54
£748,000	Comcast 5.5% Guaranteed Bonds 23/11/2029	816	0.37
£540,000	Commonwealth Bank of Australia 3% Guaranteed European Medium Term Bonds 04/09/2026	486	0.22
£291,000	Community Finance 1 5.017% European Medium Term Bonds 31/07/2034	318	0.14

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£249,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank 5.25% Subordinated European Medium Term Bonds 14/09/2027	251	0.11
£812,000	Co-Operative Bank 4.75% Guaranteed Bonds 11/11/2021	847	0.38
£194,000	CPUK Finance 11.625% Senior European Medium Term Bonds 28/02/2042	221	0.10
£1,661,000	CPUK Finance 4.811% Senior European Medium Term Bonds 28/02/2042	1,759	0.79
£125,000	CTRL Section 1 Finance 5.234% 02/05/2035	141	0.06
£83,000	Daily Mail & General Trust 10% Senior Bonds 09/04/2021	107	0.05
£457,000	Daily Mail & General Trust 6.375% Senior Bonds 21/06/2027	484	0.22
£831,000	Dali Capital 4.79924% Bonds 21/12/2037	801	0.36
£83,000	Delamare Finance 5.5457% Mortgage-Backed Bonds 19/02/2029	89	0.04
£1,827,000	Deutsche Telekom International Finance 6.5% Guaranteed European Medium Term Bonds 08/04/2022	2,141	0.96
£714,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	1,028	0.46
£838,000	Dignity Finance 6.31% Bonds 31/12/2023	971	0.44
£166,000	Dignity Finance 8.151% Bonds 31/12/2031	220	0.10
£498,000	Direct Line Insurance 9.25% Guaranteed Bonds 27/04/2042	612	0.27
£1,661,000	DIRECTV 4.375% Guaranteed Bonds 14/09/2029	1,504	0.67
£332,000	Dwr Cymru Financing 6.015% European Medium Term Bonds 31/03/2028	387	0.17
£623,000	Dwr Cymru Financing 6.907% European Medium Term Bonds 31/03/2021	752	0.34
£540,000	Eastern Power Networks 4.75% Senior European Medium Term Bonds 30/09/2021	576	0.26
£919,000	Edinburgh Investment Trust 7.75% Bonds 30/09/2022	1,115	0.50
£1,080,000	Electricite de France 5.5% Senior European Medium Term Bonds 17/10/2041	1,189	0.53
£997,000	Electricite de France 6% Perpetual Subordinated European Medium Term Bonds	1,032	0.46
£1,038,000	Electricite de France 6.125% Senior European Medium Term Bonds 02/06/2034	1,223	0.55
£1,329,000	Electricite de France 6.25% Senior European Medium Term Bonds 30/05/2028	1,547	0.69
£291,000	Enel Finance 7.75% Subordinated Bonds 10/09/2075	307	0.14
£166,000	Enel Finance International 5.625% Guaranteed European Medium Term Bonds 14/08/2024	170	0.08
£415,000	Enterprise Inns 6% Bonds 03/02/2014	416	0.19
£2,359,000	Enterprise Inns 6.375% Bonds 26/09/2031	2,072	0.93
£1,017,000	Enterprise Inns 6.5% Bonds 06/12/2018	1,051	0.47
£166,000	ENW Finance 6.125% Guaranteed European Medium Term Bonds 21/07/2021	191	0.09
£249,000	European Investment Bank 2.5% Senior European Medium Term Bonds 31/10/2022	235	0.11
£706,000	European Investment Bank 6% Senior Bonds 07/12/2028	868	0.39
£83,000	Eversholt Funding 5.831% Senior European Medium Term Bonds 02/12/2020	94	0.04
£166,000	Eversholt Funding 6.359% Senior European Medium Term Bonds 02/12/2025	192	0.09
£1,744,000	Eversholt Funding 6.697% Senior European Medium Term Bonds 22/02/2035	2,065	0.93
£498,000	Experian Finance 4.75% Guaranteed European Medium Term Bonds 23/11/2018	542	0.24
£1,785,000	Firstgroup 5.25% Guaranteed Bonds 29/11/2022	1,814	0.81
£125,000	Firstgroup 6.125% Guaranteed Bonds 18/01/2019	134	0.06
£914,000	Foreign & Colonial Investment Trust 11.25% Bonds 31/12/2014	983	0.44
£83,000	Freshwater Finance 4.556% Bonds 03/04/2036	79	0.04
£1,163,000	Gatwick Funding 5.25% Senior European Medium Term Bonds 23/01/2026	1,244	0.56
£581,000	Gatwick Funding 5.75% Senior European Medium Term Bonds 23/01/2039	645	0.29
£540,000	Gatwick Funding 6.125% Senior European Medium Term Bonds 02/03/2028	618	0.28
£332,000	Gazprom OAO Via Gaz Capital 5.338% Senior European Medium Term Bonds 25/09/2020	349	0.16
£83,000	Gesb 8.35% Senior Bonds 15/11/2018	98	0.04
£83,000	GHQB 12.625% Bonds 13/03/2015	93	0.04
£1,662,000	GlaxoSmithKline Capital 3.375% Guaranteed European Medium Term Bonds 20/12/2027	1,509	0.68
£498,000	Glencore Finance Europe 6% Guaranteed Bonds 03/04/2022	547	0.25
£415,000	Great Portland Estates 5.625% Bonds 31/01/2029	436	0.20
£1,412,000	Great Rolling Stock 6.25% Senior European Medium Term Bonds 27/07/2020	1,614	0.72
£2,280,000	Great Rolling Stock 6.875% Senior European Medium Term Bonds 27/07/2035	2,710	1.22
£64,000	Greene King Finance 5.318% Bonds 15/09/2031	69	0.03
£415,000	HBOS Sterling Finance Jersey 7.881% Guaranteed Perpetual Bonds	445	0.20
£581,000	Heathrow Funding 4.625% Guaranteed European Medium Term Bonds 31/10/2048	562	0.25
£83,000	Heathrow Funding 5.225% Senior European Medium Term Bonds 15/02/2025	90	0.04

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£1,454,000	Heathrow Funding 6.75% Senior European Medium Term Bonds 03/12/2028	1,780	0.80
£83,000	Holmes Master Issuer 4.009% Mortgage-Backed European Medium Term Bonds 15/10/2054	88	0.04
£831,000	Housing Finance 8.625% Senior Bonds 13/11/2023	1,116	0.50
£748,000	HSBC 5% Subordinated European Medium Term Bonds 20/03/2023	785	0.35
£83,000	HSBC 5.75% Subordinated European Medium Term Bonds 20/12/2027	89	0.04
£706,000	HSBC 6% Subordinated European Medium Term Bonds 29/03/2040	772	0.35
£83,000	HSBC 6.375% Subordinated European Medium Term Bonds 18/10/2022	92	0.04
£83,000	HSBC 6.5% Subordinated European Medium Term Bonds 07/07/2023	95	0.04
£623,000	HSBC 6.75% Subordinated Bonds 11/09/2028	727	0.33
£664,000	HSBC 7% Subordinated European Medium Term Bonds 07/04/2038	815	0.37
£1,080,000	HSBC Capital Funding Sterling 5.844% Guaranteed Perpetual Bonds	1,097	0.49
£291,000	Iberdrola Finanzas 7.375% Guaranteed European Medium Term Bonds 29/01/2024	343	0.15
£914,000	Imperial Tobacco Finance 5.5% Guaranteed European Medium Term Bonds 28/09/2026	984	0.44
£208,000	Imperial Tobacco Finance 6.25% Guaranteed European Medium Term Bonds 04/12/2018	237	0.11
£955,000	Imperial Tobacco Finance 7.75% Guaranteed European Medium Term Bonds 24/06/2019	1,153	0.52
£1,453,000	Imperial Tobacco Finance 9% Guaranteed European Medium Term Bonds 17/02/2022	1,924	0.86
£83,000	International Bank for Reconstruction & Development 5.75% Senior European Medium Term Bonds 07/06/2032	106	0.05
£706,000	Intu Metrocentre Finance 4.125% Senior Bonds 06/12/2023	693	0.31
£1,127,000	Intu SGS Finance 3.875% Senior European Medium Term Bonds 17/03/2028	1,087	0.49
£362,000	Intu SGS Finance 4.625% Senior European Medium Term Bonds 17/03/2033	358	0.16
£623,000	Johnson & Johnson 5.5% Bonds 06/11/2024	733	0.33
£946,000	Juturna European Loan Conduit No 16 5.0636% Mortgage-Backed European Medium Term Bonds 10/08/2033	1,009	0.45
£748,000	Koninklijke KPN 5% Senior European Medium Term Bonds 18/11/2026	750	0.34
£208,000	Koninklijke KPN 5.75% Senior European Medium Term Bonds 17/09/2029	220	0.10
£1,080,000	Lafarge 10% Senior European Medium Term Bonds 30/05/2017	1,281	0.57
£83,000	Land Securities Capital Markets 4.875% Mortgage-Backed European Medium Term Bonds 07/11/2019	92	0.04
£1,080,000	Land Securities Capital Markets 5.125% Mortgage-Backed European Medium Term Bonds 07/02/2036	1,195	0.54
£83,000	Land Securities Capital Markets 5.391% Mortgage-Backed European Medium Term Bonds 31/03/2027	93	0.04
£789,000	Linde Finance 8.125% Guaranteed Bonds 14/07/2066	896	0.40
£166,000	Lloyds Bank 4.875% Guaranteed European Medium Term Bonds 30/03/2027	179	0.08
£1,495,000	Lloyds Bank 5.125% Guaranteed European Medium Term Bonds 07/03/2025	1,656	0.74
£2,285,000	Lloyds Bank 6% Guaranteed Bonds 08/02/2030	2,752	1.23
£83,000	Lloyds Bank 6.9625% Subordinated European Medium Term Bonds 29/05/2020	87	0.04
£457,000	Lloyds Bank 7.625% Subordinated European Medium Term Bonds 22/04/2025	535	0.24
£914,000	London Merchant Securities 6.5% Senior Bonds 16/03/2026	1,031	0.46
£498,000	London Power Networks 5.125% Senior European Medium Term Bonds 31/03/2023	536	0.24
£83,000	London Power Networks 6.125% Senior European Medium Term Bonds 07/06/2027	96	0.04
£555,000	Longstone Finance 4.791% Mortgage-Backed Bonds 19/04/2036	597	0.27
£831,000	Lunar Funding I 6.125% European Medium Term Bonds 09/06/2027	897	0.40
£623,000	Majedie Investments 7.25% Bonds 31/03/2025	707	0.32
£789,000	Marks & Spencer 6.125% Senior European Medium Term Bonds 02/12/2019	875	0.39
£447,000	Meadowhall Finance 4.986% Bonds 12/07/2037	487	0.22
£581,000	Metropolitan Life Global Funding I 3.5% European Medium Term Bonds 30/09/2026	550	0.25
£48,000	Mitchells & Butlers Finance 5.574% Bonds 15/12/2030	54	0.02
£1,371,000	Mondelez International 7.25% Senior European Medium Term Bonds 18/07/2018	1,636	0.73
£332,000	Muenchener Rueckversicherungs 6.625% Subordinated European Medium Term Bonds 26/05/2042	375	0.17
£166,000	National Grid Electricity Transmission 4% Senior European Medium Term Bonds 08/06/2027	159	0.07
£83,000	National Grid Electricity Transmission 5.875% Senior Bonds 02/02/2024	96	0.04
£415,000	National Grid Electricity Transmission 6.5% Senior Bonds 27/07/2028	507	0.23
£457,000	National Grid Gas 6.375% Senior European Medium Term Bonds 03/03/2020	536	0.24
£1,370,000	National Westminster Bank 6.5% Subordinated Bonds 07/09/2021	1,466	0.66
£602,000	Nats En Route 5.25% Senior Bonds 31/03/2026	656	0.29
£83,000	NIE Finance 6.375% Guaranteed Bonds 02/06/2026	95	0.04

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£208,000	Northern Gas Networks Finance 4.875% Guaranteed Bonds 30/06/2027	215	0.10
£83,000	Northern Gas Networks Finance 5.625% Guaranteed European Medium Term Bonds 23/03/2040	94	0.04
£415,000	Northern Gas Networks Finance 5.875% Guaranteed Bonds 08/07/2019	471	0.21
£208,000	Northumbrian Water Finance 6.875% Guaranteed Bonds 06/02/2023	251	0.11
£150,000	Novae 6.5% Senior Bonds 27/04/2017	142	0.06
£249,000	OneSavings Bank 6.591% Perpetual Subordinated Bonds	193	0.09
£83,000	Peel Land & Property Investments 8.375% Bonds 30/04/2040	95	0.04
£83,000	Peel South East 10% Bonds 30/04/2026	105	0.05
£1,039,000	Perpetual Income and Growth Investment Trust 6.125% Bonds 08/07/2014	1,074	0.48
£332,000	Pfizer 6.5% Senior Bonds 03/06/2038	432	0.19
£789,000	Porterbrook Rail Finance 6.5% Senior European Medium Term Bonds 20/10/2020	918	0.41
£1,080,000	Porterbrook Rail Finance 7.125% Senior European Medium Term Bonds 20/10/2026	1,341	0.60
£789,000	Priory No 3 7% Senior Bonds 15/02/2018	831	0.37
£249,000	Reseau Ferre de France 5.25% Senior European Medium Term Bonds 31/01/2035	273	0.12
£872,000	RL Finance 6.125% Guaranteed Perpetual Bonds	880	0.39
£208,000	RL Finance No. 2 6.125% Guaranteed Bonds 30/11/2043	206	0.09
£900,000	RMPA Services 5.337% Senior Bonds 30/09/2038	961	0.43
£540,000	Royal Bank of Scotland 5.125% Guaranteed Bonds 13/01/2024	600	0.27
£83,000	Royal Bank of Scotland 9.5% Guaranteed Perpetual Bonds	88	0.04
£2,492,000	Russian Railways 7.487% Senior Bonds 25/03/2031	2,702	1.21
£1,014,000	Scottish Investment Trust 5.75% Bonds 17/04/2030	1,103	0.49
£623,000	Scottish Widows 5.5% Subordinated Bonds 16/06/2023	624	0.28
£873,000	Scottish Widows 7% Subordinated Bonds 16/06/2043	950	0.43
£166,000	Severn Trent Utilities Finance 3.625% Guaranteed European Medium Term Bonds 16/01/2026	155	0.07
£249,000	Severn Trent Utilities Finance 6% Guaranteed European Medium Term Bonds 22/01/2018	281	0.13
£1,702,000	Siemens Financieringsmaatschappij 6.125% Guaranteed Bonds 14/09/2066	1,841	0.83
£498,000	Society of Lloyd's 6.875% Subordinated Bonds 17/11/2025	534	0.24
£540,000	South East Water Finance 5.6577% Senior European Medium Term Bonds 30/09/2019	593	0.27
£789,000	South Eastern Power Networks 5.625% Senior European Medium Term Bonds 30/09/2030	878	0.39
£581,000	South Eastern Power Networks 6.375% Senior European Medium Term Bonds 12/11/2031	699	0.31
£748,000	Southern Gas Networks 4.875% Senior European Medium Term Bonds 05/10/2023	795	0.36
£415,000	Southern Gas Networks 5.125% Senior European Medium Term Bonds 02/11/2018	458	0.21
£956,000	Southern Water Services Finance 5% Senior European Medium Term Bonds 31/03/2021	1,026	0.46
£125,000	Southern Water Services Finance 6.125% Senior European Medium Term Bonds 31/03/2019	142	0.06
£976,000	SP Manweb 4.875% Senior European Medium Term Bonds 20/09/2027	986	0.44
£1,329,000	SPD Finance UK 5.875% Guaranteed Bonds 17/07/2026	1,471	0.66
£540,000	SPI Australia Assets Pty 5.125% Guaranteed European Medium Term Bonds 11/02/2021	584	0.26
£664,000	SPI Electricity & Gas Australia Pty 7.125% Guaranteed European Medium Term Bonds 26/06/2018	780	0.35
£83,000	Standard Life 6.546% Guaranteed Perpetual Bonds	90	0.04
£1,122,000	Swiss Reinsurance via ELM 6.3024% Perpetual Subordinated European Medium Term Bonds	1,216	0.55
£706,000	Telecom Italia 6.375% Senior European Medium Term Bonds 24/06/2019	738	0.33
£457,000	Telefonica Emisiones 5.289% Guaranteed European Medium Term Bonds 09/12/2022	472	0.21
£581,000	Telefonica Emisiones 5.597% Guaranteed European Medium Term Bonds 12/03/2020	620	0.28
£398,000	Telereal Securitisation 5.3887% Bonds 10/12/2033	443	0.20
£476,000	Telereal Securitisation 5.5534% Bonds 10/12/2033	541	0.24
£664,000	Temple Bar Investment Trust 5.5% Senior Bonds 08/03/2021	709	0.32
£789,000	Tesco 6.125% Senior European Medium Term Bonds 24/02/2022	894	0.40
£80,000	Tesco Property Finance 1 7.6227% Mortgage-Backed Bonds 13/07/2039	103	0.05
£1,616,000	Tesco Property Finance 2 6.0517% Mortgage-Backed Bonds 13/10/2039	1,807	0.81
£2,098,000	Tesco Property Finance 3 5.744% Mortgage-Backed Bonds 13/04/2040	2,253	1.01
£950,000	Tesco Property Finance 5 5.6611% Mortgage-Backed Bonds 13/10/2041	1,002	0.45
£498,000	Thames Water Utilities Cayman Finance 7.241% Senior European Medium Term Bonds 09/04/2058	580	0.26
£332,000	Time Warner Cable 5.25% Guaranteed Bonds 15/07/2042	265	0.12
£498,000	Time Warner Cable 5.75% Guaranteed Bonds 02/06/2031	439	0.20

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£412,000	Trafford Centre Finance 6.5% Bonds 28/07/2033	499	0.22
£262,000	Tyseley Finance 6.675% Bonds 30/07/2018	294	0.13
£561,000	Unique Pub Finance Co 5.659% Bonds 30/06/2027	546	0.24
£789,000	UNITE USAF II 3.374% Senior Bonds 30/06/2028	742	0.33
£83,000	United Utilities Water 5.375% Senior European Medium Term Bonds 14/05/2018	92	0.04
£1,285,000	UPP 1 Issuer 4.9023% Senior European Medium Term Bonds 28/02/2040	1,275	0.57
£789,000	Virgin Media Secured Finance 7% Senior Bonds 15/01/2018	818	0.37
£415,000	Wales & West Utilities Finance 4.625% Senior European Medium Term Bonds 13/12/2023	434	0.19
£374,000	Wales & West Utilities Finance 5% Senior European Medium Term Bonds 07/03/2028	393	0.18
£789,000	Wales & West Utilities Finance 6.25% Senior Bonds 30/11/2021	926	0.42
£1,453,000	Wellcome Trust Finance 4.75% Guaranteed Bonds 28/05/2021	1,598	0.72
£498,000	Wells Fargo & 3.5% Senior European Medium Term Bonds 12/09/2029	453	0.20
£125,000	Western Power Distribution East Midlands 5.25% Senior European Medium Term Bonds 17/01/2023	135	0.06
£831,000	Western Power Distribution South Wales 5.75% Senior Bonds 23/03/2040	953	0.43
£415,000	Western Power Distribution West Midlands 3.875% Senior European Medium Term Bonds 17/10/2024	403	0.18
£374,000	Yorkshire Water Services Bradford Finance 6.375% Senior Bonds 19/08/2039	469	0.21
£332,000	Yorkshire Water Services Odsal Finance 6.454% Senior Bonds 28/05/2027	401	0.18
		161,498	72.46
Sterling Denominated Variable Rate Corporate Bond 1.45% (31 December 2012 0.00%)			
£83,000	DECO MHILL Floating Rate Bonds 28/07/2016	83	0.04
£831,000	First Active 3.05163% Subordinated Floating Rate European Medium Term Bonds 04/04/2018	769	0.34
£45,000	Marstons Issuer 1.8945% Floating Rate Bonds 15/07/2020	44	0.02
£498,000	Santander Issuances 7.3% Guaranteed Bonds 27/07/2019	511	0.23
£1,246,000	Skipton Building Society 1.54438% Subordinated Floating Rate European Medium Term Bonds 18/01/2018	996	0.44
£831,000	Southern Water Services Finance 7.869% European Medium Term Bonds 31/03/2038	841	0.38
		3,244	1.45
Sterling Denominated Government Bond 8.63% (31 December 2012 6.29%)			
Sterling Denominated Fixed Rate Government Bond 8.63% (31 December 2012 6.29%)			
£332,000	United Kingdom Gilt 1.75% Bonds 22/01/2017	338	0.15
£1,786,000	United Kingdom Gilt 2.25% Bonds 07/09/2023	1,670	0.75
£872,000	United Kingdom Gilt 3.5% Perpetual Bonds	694	0.31
£1,869,000	United Kingdom Gilt 3.75% Bonds 07/09/2021	2,013	0.90
£1,869,000	United Kingdom Gilt 4% Bonds 07/03/2022	2,043	0.92
£1,184,000	United Kingdom Gilt 4.25% Bonds 07/03/2036	1,301	0.58
£2,492,000	United Kingdom Gilt 4.25% Bonds 07/06/2032	2,738	1.23
£872,000	United Kingdom Gilt 4.25% Bonds 07/12/2046	976	0.44
£706,000	United Kingdom Gilt 4.25% Bonds 07/12/2055	809	0.36
£706,000	United Kingdom Gilt 4.5% Bonds 07/03/2019	790	0.35
£727,000	United Kingdom Gilt 4.5% Bonds 07/09/2034	825	0.37
£1,329,000	United Kingdom Gilt 4.5% Bonds 07/12/2042	1,537	0.69
£2,699,000	United Kingdom Gilt 6% Bonds 07/12/2028	3,516	1.58
		19,250	8.63

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Derivatives 0.20% (31 December 2012 0.08)%			
Sterling Denominated Open Forward Exchange Contracts 0.29% (31 December 2012 0.06)%			
£12,018,498	Sterling v Euro Forward Exchange Contract	54	0.02
£1,376,983	Sterling v Euro Forward Exchange Contract	(2)	-
£21,690,284	Sterling v US dollar Forward Exchange Contract	597	0.27
		649	0.29
Sterling Futures Contracts (0.09)% (31 December 2012 0.00)%			
109	Long Gilt March 2014 Future Contract	(202)	(0.09)
Europe 5.52% (31 December 2012 6.03)%			
Euro Denominated Corporate Bond 5.47% (31 December 2012 6.06)%			
Euro Denominated Fixed Rate Corporate Bond 5.38% (31 December 2012 0.00)%			
€ 83,000	ABN AMRO Bank 6.375% Subordinated European Medium Term Bonds 27/04/2021	80	0.04
€ 332,000	Air Liquide Finance 2.125% Guaranteed European Medium Term Bonds 15/10/2021	272	0.12
€ 415,000	Assicurazioni Generali 10.125% Subordinated European Medium Term Bonds 10/07/2042	446	0.20
€ 83,000	Assicurazioni Generali 7.75% 12/12/2042	80	0.04
€ 125,000	AT&T 3.55% Senior Bonds 17/12/2032	99	0.04
€ 125,000	AXA 5.25% Subordinated European Medium Term Bonds 16/04/2040	111	0.05
€ 1,088,000	Barclays Bank 4.75% Perpetual Subordinated European Medium Term Bonds	771	0.35
€ 623,000	Bharti Airtel International Netherlands 4% Guaranteed Bonds 10/12/2018	520	0.23
€ 498,000	BPCE 4.75% Perpetual Subordinated Bonds	398	0.18
€ 955,000	Coca-Cola HBC Finance 2.375% Guaranteed European Medium Term Bonds 18/06/2020	788	0.35
€ 457,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank 6.875% Senior European Medium Term Bonds 19/03/2020	431	0.19
€ 581,000	Credit Suisse 5.75% Subordinated Bonds 18/09/2025	518	0.23
€ 353,000	Enel Finance International 4.875% Guaranteed European Medium Term Bonds 17/04/2023	324	0.15
€ 415,000	Enel Finance International 5.75% Guaranteed European Medium Term Bonds 24/10/2018	399	0.18
€ 332,000	Eutelsat 5% Senior Bonds 14/01/2019	310	0.14
€ 83,000	Gas Natural Capital Markets 5% Guaranteed European Medium Term Bonds 13/02/2018	78	0.04
€ 332,000	Gas Natural Capital Markets 6% Guaranteed European Medium Term Bonds 27/01/2020	329	0.15
€ 166,000	Gas Natural Fenosa Finance 3.875% Guaranteed European Medium Term Bonds 17/01/2023	145	0.07
€ 83,000	HBOS 4.5% Subordinated European Medium Term Bonds 18/03/2030	66	0.03
€ 374,000	Imperial Tobacco Finance 4.5% Guaranteed European Medium Term Bonds 05/07/2018	346	0.16
€ 83,000	Imperial Tobacco Finance 5% Guaranteed European Medium Term Bonds 02/12/2019	79	0.04
€ 415,000	Intesa Sanpaolo 8.047% Perpetual Subordinated Bonds	363	0.16
€ 457,000	Linde Finance 7.375% Guaranteed Bonds 14/07/2066	430	0.19
€ 789,000	Mondelez International 2.375% Senior Bonds 26/01/2021	649	0.29
€ 83,000	NASDAQ OMX Inc 3.875% Senior Bonds 07/06/2021	71	0.03
€ 125,000	Pfizer 5.75% Senior Bonds 03/06/2021	128	0.06
€ 83,000	Philip Morris International 2.75% Senior Bonds 19/03/2025	67	0.03
€ 332,000	Sanofi 2.5% Senior European Medium Term Bonds 14/11/2023	273	0.12
€ 415,000	Smurfit Kappa Acquisitions 7.75% Senior Bonds 15/11/2019	377	0.17
€ 457,000	Snam 5.25% Senior European Medium Term Bonds 19/09/2022	442	0.20
€ 332,000	Suez Environnement 4.82% Perpetual Subordinated Bonds	286	0.13
€ 457,000	Telekom Finanzmanagement 3.125% Guaranteed European Medium Term Bonds 03/12/2021	380	0.17
€ 872,000	Telenor 2.5% Senior European Medium Term Bonds 22/05/2025	688	0.31
€ 831,000	UPCB Finance 7.625% Senior Bonds 15/01/2020	748	0.34
€ 498,000	Veolia Environnement 4.625% Senior European Medium Term Bonds 30/03/2027	449	0.20
		11,941	5.38

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Variable Rate Corporate Bond 0.09% (31 December 2012 6.06%)			
€ 83,000	Society of Lloyd's 5.625% Subordinated Bonds 17/11/2024	71	0.03
€ 166,000	Channel Link Enterprises Finance 3.643% Floating Rate Bonds 30/06/2050	132	0.06
		203	0.09
Euro Denominated Derivatives 0.05% (31 December 2012 (0.03)%)			
Euro Denominated Open Forward Exchange Contracts 0.00% (31 December 2012 0.00%)			
€ 530,736	Euro v Sterling Forward Exchange Contract	(1)	-
€ 688,545	Euro v Sterling Forward Exchange Contract	(7)	-
		(8)	-
Euro Denominated Futures Contracts 0.05% (31 December 2012 (0.03)%)			
(2)	Euro-BUXL 30yr Bond March 2014 Futures Contract	4	-
(65)	Euro-Bund March 2014 Futures Contract	109	0.05
		113	0.05
North America 9.15% (31 December 2012 0.00%)			
US Dollar Denominated Corporate Bond 8.83% (31 December 2012 3.18%)			
US Dollar Denominated Fixed Rate Corporate Bond 8.81% (31 December 2012 3.18%)			
\$415,000	21st Century Fox America 5.4% Guaranteed Bonds 01/10/2043	253	0.11
\$498,000	AbbVie 2.9% Senior Bonds 06/11/2022	281	0.13
\$748,000	Altria 10.2% Guaranteed Bonds 06/02/2039	707	0.32
\$540,000	Altria 2.85% Guaranteed Bonds 09/08/2022	301	0.14
\$166,000	Altria 4% Guaranteed Bonds 31/01/2024	98	0.04
\$415,000	Altria 5.375% Guaranteed Bonds 31/01/2044	253	0.11
\$581,000	Barclays Bank 7.75% Subordinated Bonds 10/04/2023	382	0.17
\$83,000	BAT International Finance 3.25% Guaranteed Bonds 07/06/2022	48	0.02
\$955,000	British Telecommunications 9.625% Senior Bonds 15/12/2030	864	0.39
\$374,000	Centrica 4% Senior Bonds 16/10/2023	220	0.10
\$208,000	Centrica 5.375% Senior Bonds 16/10/2043	125	0.06
\$125,000	Coca-Cola Co 3.2% Senior Bonds 01/11/2023	73	0.03
\$498,000	ConAgra Foods 3.2% Senior Bonds 25/01/2023	280	0.13
\$125,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank BANetherlands 11% Perpetual Subordinated Bonds	100	0.04
\$83,000	COX Communications 3.25% Senior Bonds 15/12/2022	46	0.02
\$457,000	Credit Agricole 8.125% Subordinated Bonds 19/09/2033	305	0.14
\$955,000	Credit Suisse Guernsey I 7.875% Guaranteed Bonds 24/02/2041	628	0.28
\$332,000	Credit Suisse6.5% Subordinated Bonds 08/08/2023	214	0.10
\$83,000	Deutsche Annington Finance 3.2% Guaranteed Bonds 02/10/2017	51	0.02
\$1,329,000	DIRECTV 3.8% Guaranteed Bonds 15/03/2022	769	0.35
\$498,000	Electricite de France 5.25% Perpetual Subordinated Bonds	299	0.13
\$291,000	Friends Life 7.875% Guaranteed Perpetual Bonds	190	0.09
\$374,000	General Electric 4.125% Senior Bonds 09/10/2042	209	0.09
\$1,495,000	Glencore Funding 4.125% Guaranteed Bonds 30/05/2023	846	0.38
\$415,000	Goldcorp 2% Senior Bonds 01/08/2014	252	0.11
\$789,000	Imperial Tobacco Finance 3.5% Guaranteed Bonds 11/02/2023	447	0.20
\$540,000	Kraft Foods 3.5% Senior Bonds 06/06/2022	319	0.14
\$83,000	LBG Capital No.1 8% Guaranteed Perpetual European Medium Term Bonds	54	0.02
\$581,000	Lorillard Tobacco 3.75% Guaranteed Bonds 20/05/2023	321	0.14
\$457,000	Merck 3.6% Senior Bonds 15/09/2042	230	0.10
\$498,000	Merck 4.15% Senior Bonds 18/05/2043	275	0.12
\$1,578,000	Microsoft 2.375% Senior Bonds 01/05/2023	865	0.39
\$540,000	Newmont Mining 1.25% Guaranteed Bonds 15/07/2014	326	0.15

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value	Percentage of total net assets
US Dollar Denominated Fixed Rate Corporate Bond (continued)			
\$831,000	Nord Anglia Education UK 10.25% Senior Bonds 01/04/2017	552	0.25
\$83,000	PepsiCo 2.25% Senior Bonds 07/01/2019	50	0.02
\$498,000	Pfizer 3% Senior Bonds 15/06/2023	284	0.13
\$83,000	Pfizer 4.3% Senior Bonds 15/06/2043	47	0.02
\$83,000	Philip Morris International 2.9% Senior Bonds 15/11/2021	48	0.02
\$291,000	Reynolds American 4.85% Guaranteed Bonds 15/09/2023	182	0.08
\$166,000	Reynolds American 6.15% Guaranteed Bonds 15/09/2043	109	0.05
\$208,000	Rosneft Oil 4.199% Senior Bonds 06/03/2022	115	0.05
\$1,453,000	Statoil 3.95% Guaranteed Bonds 15/05/2043	768	0.34
\$997,000	Swire Pacific MTN Financing 4.5% Guaranteed European Medium Term Bonds 09/10/2023	601	0.27
\$1,329,000	Time Warner Cable 5.875% Guaranteed Bonds 15/11/2040	697	0.31
\$1,246,000	UBS 7.625% Subordinated Bonds 17/08/2022	865	0.39
\$125,000	UPCB Finance III 6.625% Senior Bonds 01/07/2020	80	0.04
\$125,000	UPCB Finance V 7.25% Senior Bonds 15/11/2021	82	0.04
\$2,658,000	Verizon Communications 5.15% Senior Bonds 15/09/2023	1,730	0.78
\$3,488,000	Verizon Communications 6.55% Senior Bonds 15/09/2043	2,477	1.11
\$540,000	Viacom 4.25% Senior Bonds 01/09/2023	327	0.15
		19,645	8.81
US Dollar Denominated Variable Rate Corporate Bond 0.02% (31 December 2012 0.00%)			
\$83,000	Industry & Construction Bank St Petersburg OJSC Via Or-ICB for Industry 5.01% Subordinated Bonds 29/09/2015	51	0.02
		51	0.02
US Dollar Denominated Government Bond 0.31% (31 December 2012 0.00%)			
US Dollar Denominated Fixed Rate Government Bond 0.31% (31 December 2012 0.00%)			
\$1,163,000	US Treasury 1.25% Bonds 30/11/2018	689	0.31
US Dollar Denominated Derivatives 0.01% (31 December 2012 0.00%)			
US Dollar Denominated Open Forward Exchange Contracts (0.01)% (31 December 2012 0.00%)			
\$472,596	US Dollar v Sterling Forward Exchange Contract	(4)	-
\$860,473	US Dollar v Sterling Forward Exchange Contract	(12)	(0.01)
		(16)	(0.01)
US Dollar Denominated Futures Contracts 0.02% (31 December 2012 0.00%)			
(10)	US 5yr Note March 2014 Futures Contract	9	-
(16)	US 10yr Note March 2014 Futures Contract	24	0.01
(15)	US Ultra Bond (CBT) March 2014 Futures Contract	14	0.01
		47	0.02
Investment assets*		217,104	97.41
Net other assets		5,782	2.59
Total net assets		222,886	100.00

* Including investment liabilities

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the year from 1 January 2013 to 31 December 2013

	Notes	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Income					
Net capital (losses)/gains	2		(9,548)		19,246
Revenue	3	11,771		11,228	
Expenses	4	(2,399)		(2,278)	
Finance costs: Interest	6	(2)		(2)	
Net revenue before taxation		9,370		8,948	
Taxation	5	-		-	
Net revenue after taxation			9,370		8,948
Total return before distributions			(178)		28,194
Finance costs: Distributions	6		(11,902)		(12,054)
Change in net assets attributable to shareholders from investment activities			(12,080)		16,140

Statement of change in net assets attributable to shareholders

for the year from 1 January 2013 to 31 December 2013

	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Opening net assets attributable to shareholders		245,822		212,626
Amounts received on issue of shares	19,128		42,597	
Amounts paid on cancellation of shares	(38,643)		(34,297)	
		(19,515)		8,300
Unclaimed distributions		5		-
Change in net assets attributable to shareholders from investment activities		(12,080)		16,140
Retained distribution on accumulation shares		8,654		8,756
Closing net assets attributable to shareholders		222,886		245,822

The notes on pages 97 to 104 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets					
Investment assets			217,637		235,321
Debtors	7	4,028		5,352	
Cash and bank balances	8	3,407		7,540	
Total other assets			7,435		12,892
Total assets			225,072		248,213
Liabilities					
Investment liabilities			(533)		(424)
Creditors	9	(1,462)		(1,502)	
Distribution payable on income shares		(191)		(465)	
Total other liabilities			(1,653)		(1,967)
Total liabilities			(2,186)		(2,391)
Net assets attributable to shareholders			222,886		245,822

The notes on pages 97 to 104 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 January 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Bond 2 Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital (losses)/gains

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The net (losses)/gains on investments comprise:		
(Losses)/gains on non-derivatives securities	(10,378)	19,786
Gains/(losses) on currency contracts	61	(114)
Gains/(losses) on derivative contracts	172	(580)
Gains on forward currency contracts	600	176
Handling charges	(3)	(22)
Net capital (losses)/gains on investments	(9,548)	19,246

3 Revenue

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Bank and term deposit interest	-	(1)
Interest from overseas debt securities	10,503	6,026
Interest from UK debt securities	1,268	5,203
Total revenue	11,771	11,228

4 Expenses

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:		
Authorised Corporate Director's periodic charge	2,225	2,086
	2,225	2,086
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	31	29
Safe custody fees	7	21
	38	50
Other expenses:		
Administration fees	115	123
Audit fees	11	12
Legal fees	8	-
Reclaim of VAT	-	(1)
Risk & compliance monitoring fees	2	8
	136	142
Total expenses	2,399	2,278

* The Audit fee for the year, excluding VAT, was £9,300 (31 December 2012: £9,677).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Overseas tax suffered	-	-
Total current tax charge for the year (see note 5(b))	-	-
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year	-	-

b) Factors affecting current tax charge for the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:		
Net revenue before taxation	9,370	8,948
Corporation tax at 20% (31 December 2012: 20%)	1,874	1,790
Effects of:		
Income distribution on coupon basis	26	166
Tax deductible interest distributions	(1,900)	(1,956)
Total current tax charge for the year (see note 5(a))	-	-

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.01.13 to 31.12.13	01.01.12 to 31.12.12
Deferred tax at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax at the end of the year	-	-

At 31 December 2013 the sub-fund had surplus management expenses of £13,310,977 (31 December 2012: £13,310,977). It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprises:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Interim (30 June)	6,163	5,857
Final (31 December)	5,499	6,181
	11,662	12,038
Revenue deducted on cancellation of shares	385	472
Revenue received on issue of shares	(145)	(456)
Finance costs: Distributions	11,902	12,054
Finance costs: Interest	2	2
Total finance costs	11,904	12,056
Reconciliation of distributions:		
Net revenue after taxation	9,370	8,948
Capitalised fees	2,401	2,276
Effective yield adjustment	131	830
Finance costs: Distributions	11,902	12,054

Details of the interim and final distributions per share are set out in the table on page 104.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued revenue	4,028	4,804
Amounts receivable for issue of shares	-	548
Total debtors	4,028	5,352

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Amounts held at futures clearing houses and brokers	938	577
Cash and bank balances	2,469	6,963
Total cash and bank balances	3,407	7,540

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	172	183
Accrued Depositary's fees	3	3
Accrued expenses	81	67
Amounts payable for cancellation of shares	58	35
Income tax payable	1,148	1,214
Total creditors	1,462	1,502

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and payable on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 95. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and variable rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of meeting the investment objective and/or efficient portfolio management.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual report was produced. However the risks have heightened due to the global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the debt crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 (31 December 2012) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000	31.12.12 £'000
Euro	304	203	507	15	(259)	(244)
US Dollar	175	383	558	1	176	177
Total	479	586	1,065	16	(83)	(67)

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 (31 December 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Euro	507	11,941	1,402	13,850
Sterling	6,172	180,748	38,604	225,524
US Dollar	226	20,334	1,091	21,651
Total	6,905	213,023	41,097	261,025

Currency	Variable rate financial assets* £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
31.12.12				
Euro	4,076	10,877	-	14,953
Sterling	29,570	190,094	28,898	248,562
US Dollar	1,015	7,086	656	8,757
Total	34,661	208,057	29,554	272,272

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Euro	-	(13,343)	(13,343)
Sterling	-	(3,703)	(3,703)
US Dollar	-	(21,093)	(21,093)
Total	-	(38,139)	(38,139)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.12			
Euro	-	(15,198)	(15,198)
Sterling	-	(2,671)	(2,671)
US Dollar	-	(8,581)	(8,581)
Total	-	(26,450)	(26,450)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Euro	4.96%	11.04 years
Euro Fixed Perpetual	5.42%	-
Euro Variable	4.33%	27.59 years
Sterling	5.78%	14.95 years
Sterling Fixed Perpetual	6.05%	-
Sterling Variable	4.49%	9.71 years
US Dollar	5.35%	15.79 years
US Dollar Fixed Perpetual	7.15%	-
US Dollar Variable	5.01%	1.75 years

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

2012

Euro	5.91%	26.69 years
Sterling	6.04%	16.73 years
US Dollar	5.76%	15.26 years

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated bonds was 86.88% (Source: Old Mutual Global Investors Limited/Factsheet).

Analysis of bonds	£'000	%
Investment Grade	193,628	86.88
Below Investment Grade	11,929	5.36
Unrated	10,964	4.91
	216,521	97.15

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Bond 2 Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Bond 2 Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 6.24% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 2.82%, 4.14% and 6.24%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 16.59%.

Notes to the financial statements (continued)

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 December 2012: £Nil).

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current year and prior year.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Bond 2 Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 85.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share	Distribution paid 28.02.13 pence per share
Income 'A' Shares						
Group 1	1.0490	0.2098	0.8392	-	0.8392	0.9551
Group 2	0.8038	0.1608	0.6430	0.1962	0.8392	0.9551
Accumulation 'A' Shares						
Group 1	1.8128	0.3626	1.4502	-	1.4502	1.5171
Group 2	1.4706	0.2941	1.1765	0.2737	1.4502	1.5171

Interim distribution

Group 1: Shares purchased prior to 1 January 2013
 Group 2: Shares purchased from 1 January 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share	Distribution paid 31.08.12 pence per share
Income 'A' Shares						
Group 1	1.0951	0.2190	0.8761	-	0.8761	0.9096
Group 2	0.7991	0.1598	0.6393	0.2368	0.8761	0.9096
Accumulation 'A' Shares						
Group 1	1.8329	0.3666	1.4663	-	1.4663	1.4589
Group 2	0.8435	0.1687	0.6748	0.7915	1.4663	1.4589

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

Old Mutual Bond 3 Fund

Launch date	14 January 2005
Sector classification	US High Yield
Investment adviser	DuPont Capital Management Corporation
Net asset value	£168,550,594

Objective

To achieve total return through a combination of income and capital growth from a diversified portfolio predominantly composed of fixed and variable rate debt securities.

Policy

The sub-fund invests in both sterling and non-sterling denominated securities. Any non-sterling denominated securities will normally be hedged to minimise currency risk. The Company has appointed a specialist manager to manage the sub-fund, and continuously monitors this appointment.

The sub-fund may invest in derivative instruments and forward transactions for the purposes of meeting the investment objective and/or efficient portfolio management.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value per share in pence and the number of shares in existence at the end of the accounting year. Shares were first issued at 50p per unit.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.11			
Income 'A'	£105,803,374	269,244,065	39.30
31.12.12			
Income 'A'	£151,542,947	352,555,121	42.98
31.12.13			
Income 'A'	£168,529,198	408,819,294	41.22
Income 'R'	£21,396	51,539	41.51

* The share class launched on the 2 August 2013.

Comparative table

The table below shows the highest and lowest share prices per share in pence for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2009		
Income 'A'	40.50	28.40
2010		
Income 'A'	42.20	38.89
2011		
Income 'A'	42.51	37.46
2012		
Income 'A'	44.71	39.32
2013		
Income 'A'	46.38	41.81
Income 'R'	43.47	42.44

* from 2 August 2013

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2009	
Income 'A'	2.8376
2010	
Income 'A'	2.8641
2011	
Income 'A'	2.5553
2012	
Income 'A'	3.0256
2013	
Income 'A'	2.9614
Income 'R'	0.3416
2014**	
Income 'A'	0.7623
Income 'R'	0.8214

* The share class launched on the 2 August 2013.

** to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

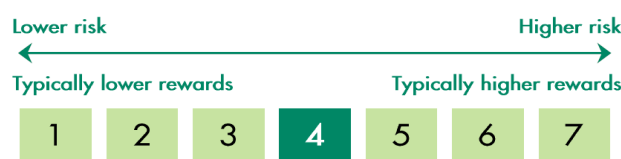
Investment Manager's review

High yield had a very strong year, particularly compared to other fixed income sectors. Spreads tightened in high yield despite the announcement that the Federal Reserve will begin to reduce their bond purchases. Better economic news out of the U.S., China and Europe has led investors to focus on riskier and yield generating asset classes. Overall, the main overweights include financials, transportation and electric utilities while our underweighted sectors include capital goods, energy and communications. The portfolio has a much higher yield than the benchmark and a lower average price. Over the long-run, we believe this strategy could provide higher upside. We are holding over 10% of the portfolio in cash and treasuries and are investing as we find new opportunities, or if we can add to existing holdings at an attractive level. We believe there are good opportunities in the market, but they are more difficult to find in the current environment.

Our outlook for the U.S. economy has improved slightly in that we are looking for moderate growth of 2 1/2 % to 3 1/2% for the coming year. We believe the labour market will show more improvement over the next twelve months with the unemployment rate moving close to 6% and in our view, the housing market will continue to be a positive influence on overall growth. We also believe the Federal Reserve will completely end their bond purchases later in 2014, but we do not expect them to increase the Federal Funds rate until at least 2015. Interest rates could rise in 2014, but we do not expect the ten-year treasury to rise by over 100 basis points as it did in 2013.

Risk and Reward Profile

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

The sub-fund is in category 4 because it invests in debt securities; these investments have additional risks as listed below. These factors may increase the value of the investments or expose the sub-fund to losses.

Interest rate risk - there is no guarantee that the sub-fund will achieve its objective.

Credit risk - the issuer of a Bond or a similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk - some investments may become hard to value or sell at a desired time and price, in extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. The hedging process may not give a precise hedge, and some currency risk may remain. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	62.48%
Europe	19.01%
South America	4.00%
United Kingdom	2.19%
Japan	1.28%
Asia Pacific (Excluding Japan)	0.07%
Derivatives	0.87%
Net other assets	10.10%
Total	100.00%

Asset allocation

US Dollar Debt Securities	72.56%
Euro Debt Securities	12.65%
Japanese Yen Debt Securities	1.28%
Norwegian Krone Debt Securities	0.74%
Swedish Kroner Debt Securities	0.28%
Canadian Dollar Debt Securities	0.19%
US Dollar Equities	1.19%
Norway Equities	0.14%
Derivatives	0.87%
Net other assets	10.10%
Total	100.00%

Major holdings

Percentage of portfolio

IVG Finance 1.75% Guaranteed Bonds 29/03/2017	2.68%
Codere Finance Luxembourg 8.25% Senior Bonds 15/06/2015	2.14%
CEDC Finance International 8% Senior Bonds 30/04/2018	1.68%
Capex 10% Senior Bonds 10/03/2018	1.57%
Aquarius Platinum 4% Senior Bonds 18/12/2015	1.38%
MBIA Insurance 11.5371% Subordinated Floating Rate Bonds 15/01/2033	1.31%
United Continental 8% Guaranteed Bonds 15/07/2024	1.08%
Tristan Oil 0% Senior Bonds 01/01/2016	1.07%
Chiquita Brands International Chiquita Brands 7.875% Senior Bonds 01/02/2021	1.04%
Dynegy 5.875% Guaranteed Bonds 01/06/2023	1.02%

Number of holdings

284

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	1.22%
31.12.13 Income 'A'	1.19%
31.12.13 Income 'R**'	0.84%

*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the share class launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 0.87% (31 December 2012 1.13%)			
Sterling Denominated Corporate Bond 0.00% (31 December 2012 1.06%)			
Sterling Denominated Derivatives 0.87% (31 December 2012 0.07%)			
Sterling Denominated Open Forward Exchange Contracts 0.87% (31 December 2012 0.07%)			
£218,213	Sterling v Canadian Dollar Forward Exchange Contract	3	-
£130,000	Sterling v Canadian Dollar Forward Exchange Contract	1	-
£10,496,692	Sterling v Euro Forward Exchange Contract	63	0.04
£12,609,693	Sterling v Euro Forward Exchange Contract	47	0.03
£1,593,780	Sterling v Japanese Yen Forward Exchange Contract	31	0.02
£660,714	Sterling v Japanese Yen Forward Exchange Contract	18	0.01
£1,357,075	Sterling v Norwegian Krone Forward Exchange Contract	(8)	-
£474,082	Sterling v Swedish Krona Forward Exchange Contract	(4)	-
£79,027,099	Sterling v US Dollar Forward Exchange Contract	719	0.43
£52,448,794	Sterling v US Dollar Forward Exchange Contract	577	0.34
		1,447	0.87
Europe 13.81% (31 December 2012 14.18%)			
Euro Denominated Fixed Rate Corporate Bond 9.21% (31 December 2012 9.01%)			
€7,700,000	Codere Finance Luxembourg 8.25% Senior Bonds 15/06/2015	3,611	2.14
€1,400,000	Intralot Finance Luxembourg 9.75% Guaranteed Bonds 15/08/2018	1,275	0.76
€6,900,000	IVG Finance 1.75% Guaranteed Bonds 29/03/2017	4,517	2.68
€2,000,000	National Bank of Greece 3.875% Guaranteed Bonds 07/10/2016	1,556	0.92
€2,075,000	Opus Securities 3.95% Perpetual Senior Bonds	1,321	0.78
€6,400,000	Pescanova 5.125% Senior Bonds 20/04/2017 (Defaulted)	929	0.55
€2,550,000	Pescanova 6.75% Senior Bonds 05/03/2015 (Defaulted)	344	0.21
€7,700,000	Pescanova 8.75% Senior Bonds 17/02/2019 (Defaulted)	971	0.58
€6,650,000	Seat Pagine Gialle 10.5% Senior Bonds 31/01/2017 (Defaulted)	831	0.49
€1,150,000	SNS Bank 6.25% Subordinated European Medium Term Bonds 26/10/2020	38	0.02
€2,000,000	Talvivaara Mining 4% Senior European Medium Term Bonds 16/12/2015	133	0.08
		15,526	9.21
Euro Denominated Variable Rate Corporate Bond 2.87% (31 December 2012 1.98%)			
€700,000	Azor Mortgages No 1 0.97% Floating Rate Bonds 20/09/2047	368	0.22
€1,057,000	Estia Mortgage Finance 0.376% Floating Rate Bonds	733	0.44
€2,612,000	Grifonas Finance 0.618% Floating Rate Bonds	1,598	0.95
€1,733,000	Lusitano Mortgages No 3 0.44% Floating Rate Bonds	977	0.58
€756,000	Lusitano Mortgages No4 0.489% Floating Rate Bonds	270	0.16
€2,000,000	Lusitano Mortgages No6 0.659% Floating Rate Bonds	528	0.31
€650,000	Parpublica - Participacoes Publicas 1.136% Senior Floating Rate Bonds 28/12/2020	357	0.21
		4,831	2.87
Euro Denominated Fixed Rate Government Bond 0.57% (31 December 2012 1.99%)			
€1,400,000	Parpublica - Participacoes Publicas 3.567% Senior Bonds 22/09/2020	953	0.57
Norwegian Krone Denominated Corporate Bond 0.74% (31 December 2012 0.88%)			
Norwegian Krone Denominated Variable Rate Corporate Bond 0.74% (31 December 2012 0.88%)			
NOK12,000,000	Grieg Seafood 8.76% Senior Floating Rate Bonds 21/12/2015	1,250	0.74

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Norway Equities 0.14% (31 December 2012 0.00%)		
499,058	Northland Resources	242	0.14
	Swedish Krona Denominated Fixed Rate Corporate Bond 0.28% (31 December 2012 0.32%)		
SEK5,000,000	SAS 7.5% Guaranteed Bonds 01/04/2015	475	0.28
	Japan 1.28% (31 December 2012 2.65%)		
	Japanese Yen Denominated Fixed Rate Corporate Bond 1.28% (31 December 2012 2.65%)		
¥100,000,000	Aiful 3.5% Senior European Medium Term Bonds 05/06/2015	549	0.32
¥150,000,000	Elpida Memory 0.5% Senior Bonds 26/10/2015 (Defaulted)	128	0.08
¥300,000,000	Elpida Memory 0.7% Senior Bonds 01/08/2016 (Defaulted)	253	0.15
¥300,000,000	Japan Atomic Power 1.477% Senior Bonds 25/02/2021	1,231	0.73
		2,161	1.28
	North America 73.94% (31 December 2012 65.74%)		
	Canadian Dollar Denominated Fixed Rate Corporate Bond 0.19% (31 December 2012 0.12%)		
\$463,000	Cash Store Financial Services 11.5% Bonds 31/01/2017	172	0.10
\$400,000	Cash Store Financial Services 11.5% Bonds 31/01/2017	149	0.09
		321	0.19
	US Dollar Denominated Fixed Rate Corporate Bond 68.51% (31 December 2012 62.55%)		
\$370,000	Accellent 10% Guaranteed Bonds 01/11/2017	228	0.14
\$856,000	American Airlines 2011-1 Class A Pass Through Trust 5.25% 31/07/2022	548	0.32
\$2,052,000	Windsor Petroleum Transport 7.84% Bonds 15/01/2021	819	0.49
\$400,000	Accellent 8.375% Senior Bonds 01/02/2017	255	0.15
\$1,000,000	ADT 2.25% Senior Bonds 15/07/2017	596	0.35
\$870,000	Advanced Lighting Technologies 10.5% Senior Bonds 01/06/2019	374	0.22
\$3,000,000	AGFC Capital Trust I 6% Limited Guarantee Bonds 15/01/2067	1,525	0.90
\$370,000	Aircastle 9.75% Senior Bonds 01/08/2018	245	0.15
\$740,000	Alcatel-Lucent USA 6.45% Senior Bonds 15/03/2029	394	0.23
\$100,000	Aleris International 7.625% Guaranteed Bonds 15/02/2018	64	0.04
\$4,625,000	Allen Systems 10.5% Bonds 15/11/2016	1,512	0.90
\$585,000	Allison Transmission 7.125% Guaranteed Bonds 15/05/2019	381	0.23
\$1,000,000	Ally Financial 6.25% Guaranteed Bonds 01/12/2017	675	0.40
\$1,000,000	AMC Entertainment 9.75% Guaranteed Bonds 01/12/2020	693	0.41
\$1,217,000	American Airlines 2011-1 Class B Pass Through Trust 7% 31/07/2019	779	0.46
\$295,000	American Tire Distributors 9.75% Senior Bonds 01/06/2017	189	0.11
\$290,000	Ameristar Casinos 7.5% Guaranteed Bonds 15/04/2021	190	0.11
\$1,250,000	Anadolu Efes Biracilik Ve Malt Sanayii AS 3.375% Senior Bonds 01/11/2022	607	0.36
\$4,800,000	Aquarius Platinum 4% Senior Bonds 18/12/2015	2,325	1.38
\$865,000	Ardagh Packaging Finance 9.125% Guaranteed Bonds 15/10/2020	571	0.34
\$255,000	Aspect Software 10.625% Bonds 15/05/2017	155	0.09
\$540,000	Associated Materials 9.125% Senior Bonds 01/11/2017	349	0.21
\$427,000	Atkore International 9.875% Senior Bonds 01/01/2018	278	0.16
\$8,190,000	ATP Oil & Gas 11.875% Bonds 01/05/2015 (Defaulted)	25	0.01
\$647,000	Avaya 10.5% Bonds 01/03/2021	376	0.22
\$1,000,000	Avis Budget Car RentalAvis Budget Finance 4.875% Guaranteed Bonds 15/11/2017	634	0.38
\$350,000	Bakrie Telecom Pte 11.5% Senior Bonds 07/05/2015 (Defaulted)	31	0.02
\$2,645,000	Banco Cruzeiro do Sul Brazil 7% Senior European Medium Term Bonds 08/07/2013 (Defaulted)	322	0.19
\$5,590,000	Banco Cruzeiro do Sul Brazil 7.625% Senior Bonds 21/04/2014 (Defaulted)	689	0.41
\$6,750,000	Banco Cruzeiro do Sul Brazil 8% Senior European Medium Term Bonds 17/09/2012 (Defaulted)	822	0.49
\$5,628,000	Banco Cruzeiro do Sul Brazil 8.25% Senior Bonds 20/01/2016 (Defaulted)	694	0.41
\$3,633,000	Banco Cruzeiro do Sul Brazil 8.5% Senior European Medium Term Bonds 20/02/2015 (Defaulted)	472	0.28

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bond (continued)			
\$2,500,000	Banco Cruzeiro do Sul Brazil 8.875% Subordinated Bonds 22/09/2020 (Defaulted)	-	-
\$660,000	Bank of America 8% Perpetual Subordinated Bonds	441	0.26
\$2,000,000	Banro 10% Bonds 01/03/2017	947	0.56
\$3,325,000	BLT Finance 7.5% Senior Bonds 15/05/2014 (Defaulted)	211	0.12
\$1,175,000	BPZ Resources 6.5% Senior Bonds 01/03/2015	643	0.38
\$405,000	BreitBurn Energy Partners 8.625% Guaranteed Bonds 15/10/2020	262	0.16
\$400,000	BTA Bank JSC 5.5% Senior Bonds 21/12/2022	178	0.11
\$714,000	Bumble Bee 9% Senior Bonds 15/12/2017	472	0.28
\$460,000	BWAY 10% Guaranteed Bonds 15/06/2018	302	0.18
\$440,000	Caesars Entertainment Operating 10% Bonds 15/12/2018	126	0.07
\$1,770,000	Caesars Entertainment Operating 11.25% Senior Bonds 01/06/2017	1,085	0.64
\$1,000,000	Caesars Entertainment Operating 12.75% Bonds 15/04/2018	343	0.20
\$500,000	Caesars Entertainment Operating 9% Senior Bonds 15/02/2020	293	0.17
\$205,000	Calpine 7.5% Senior Bonds 15/02/2021	135	0.08
\$1,981,000	Calpine 7.875% Senior Bonds 31/07/2020	1,308	0.78
\$5,402,000	Capex 10% Senior Bonds 10/03/2018	2,648	1.57
\$2,000,000	Carrizo Oil & Gas 4.375% Guaranteed Bonds 01/06/2028	1,113	0.66
\$2,612,000	CEDC Finance International 10% Bonds 30/04/2018	1,392	0.83
\$5,000,000	CEDC Finance International 8% Senior Bonds 30/04/2018	2,825	1.68
\$560,000	Central Garden and Pet 8.25% Guaranteed Bonds 01/03/2018	329	0.19
\$165,000	Chesapeake Oilfield OperatingChesapeake Oilfield Finance 6.625% Guaranteed Bonds 15/11/2019	105	0.06
\$5,000,000	China Medical Technologies 6.25% Senior Bonds 15/12/2016 (Defaulted)	15	0.01
\$2,698,000	Chiquita Brands InternationalChiquita Brands 7.875% Senior Bonds 01/02/2021	1,761	1.04
\$675,000	Chrysler 8% Bonds 15/06/2019	452	0.27
\$295,000	Chrysler 8.25% Bonds 15/06/2021	204	0.12
\$730,000	Cincinnati Bell 8.375% Guaranteed Bonds 15/10/2020	478	0.28
\$465,000	Claire's Stores 8.875% Bonds 15/03/2019	289	0.17
\$745,000	Clear Channel Communications 9% Senior Bonds 01/03/2021	457	0.27
\$500,000	CMA CGM 8.5% Senior Bonds 15/04/2017	295	0.18
\$3,000,000	Codere Finance Luxembourg 9.25% Senior Bonds 15/02/2019	1,007	0.60
\$1,500,000	Codere Finance Luxembourg 9.25% Senior Bonds 15/02/2019	504	0.30
\$255,000	Cogent Communications 8.375% Senior Bonds 15/02/2018	168	0.10
\$423,000	CommScope 8.25% Guaranteed Bonds 15/01/2019	281	0.17
\$1,300,000	Corp GEOCV 9.25% Guaranteed Bonds 30/06/2020 (Defaulted)	110	0.07
\$350,000	Crescent Resources 10.25% Senior Bonds 15/08/2017	231	0.14
\$440,000	Crosstex Energy 8.875% Guaranteed Bonds 15/02/2018	280	0.17
\$920,000	Del Monte 7.625% Guaranteed Bonds 15/02/2019	577	0.34
\$330,000	DineEquity 9.5% Guaranteed Bonds 30/10/2018	222	0.13
\$385,000	DISH DBS 6.75% Guaranteed Bonds 01/06/2021	247	0.15
\$1,641,000	DISH DBS 7.125% Guaranteed Bonds 01/02/2016	1,095	0.65
\$1,875,000	DISH DBS 7.875% Guaranteed Bonds 01/09/2019	1,297	0.77
\$325,000	DJO Finance 7.75% Guaranteed Bonds 15/04/2018	200	0.12
\$1,350,000	DTEK Finance 7.875% Guaranteed Bonds 04/04/2018	757	0.45
\$3,000,000	Dynegy 5.875% Guaranteed Bonds 01/06/2023	1,713	1.02
\$1,000,000	E*TRADE Financial 6.375% Senior Bonds 15/11/2019	649	0.38
\$395,000	Eagle Rock Energy Partners 8.375% Guaranteed Bonds 01/06/2019	261	0.15
\$520,000	Emerald Plantation 6% Senior Bonds 30/01/2020	214	0.13
\$165,000	Energy Future Intermediate 10% Senior Bonds 01/12/2020	106	0.06
\$405,000	Energy Future Intermediate 10% Senior Bonds 01/12/2020	260	0.15
\$1,000,000	Energy Future IntermediateEFIH Finance 12.25% Bonds 01/03/2022	711	0.42
\$480,000	Epicor Software 8.625% Guaranteed Bonds 01/05/2019	315	0.19
\$430,000	EV Energy Partners 8% Guaranteed Bonds 15/04/2019	261	0.15
\$1,000,000	First Data 12.625% Guaranteed Bonds 15/01/2021	710	0.42
\$1,270,000	First Data 7.375% Senior Bonds 15/06/2019	820	0.49

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bond (continued)			
\$500,000	First Data 8.25% Bonds 15/01/2021	322	0.19
\$750,000	First Data 8.75% Bonds 15/01/2022	484	0.29
\$1,000,000	First Data 8.875% Senior Bonds 15/08/2020	669	0.40
\$285,000	Freescale Semiconductor 8.05% Guaranteed Bonds 01/02/2020	185	0.11
\$395,000	GCI 8.625% Senior Bonds 15/11/2019	253	0.15
\$1,000,000	General Motors 3.5% Senior Bonds 02/10/2018	618	0.37
\$2,000,000	GenOn Americas Generation 8.5% Senior Bonds 01/10/2021	1,266	0.75
\$1,600,000	Global Geophysical Services 10.5% Guaranteed Bonds 01/05/2017	746	0.44
\$2,966,000	GMX Resources 11% Senior Bonds 01/12/2017 (Defaulted)	1,580	0.94
\$1,107,000	GMX Resources 9% Bonds 02/03/2018 (Defaulted)	7	-
\$1,000,000	Golden Belt 1 Sukuk BSCC 0% Bonds 15/05/2012 (Defaulted)	30	0.02
\$375,000	Goodman Networks 13.125% Senior Bonds 01/07/2018	239	0.14
\$405,000	Griffon 7.125% Guaranteed Bonds 01/04/2018	260	0.15
\$345,000	GXS Worldwide 9.75% Senior Bonds 15/06/2015	216	0.13
\$495,000	Gymboree 9.125% Guaranteed Bonds 01/12/2018	275	0.16
\$1,670,000	HCA 7.5% Guaranteed Bonds 15/02/2022	1,105	0.66
\$1,325,000	HCA 7.75% Senior Bonds 15/05/2021	874	0.52
\$157,000	HealthSouth 7.25% Guaranteed Bonds 01/10/2018	102	0.06
\$157,000	HealthSouth 7.75% Guaranteed Bonds 15/09/2022	104	0.06
\$1,000,000	Hertz 7.5% Guaranteed Bonds 15/10/2018	654	0.39
\$500,000	Hexion US Finance 8.875% Senior Bonds 01/02/2018	314	0.19
\$530,000	Hillman Inc 10.875% Guaranteed Bonds 01/06/2018	346	0.21
\$1,250,000	HOA Restaurant HOA Finance 11.25% Bonds 01/04/2017	798	0.47
\$500,000	Huntsman International 8.625% Guaranteed Bonds 15/03/2021	341	0.20
\$325,000	iGATE 9% Guaranteed Bonds 01/05/2016	209	0.12
\$1,000,000	Intelsat Jackson 7.25% Guaranteed Bonds 01/04/2019	654	0.39
\$1,271,000	Intelsat Jackson 7.25% Guaranteed Bonds 15/10/2020	840	0.50
\$485,000	Interactive Data 10.25% Guaranteed Bonds 01/08/2018	322	0.19
\$280,000	inVentiv Health 10.75% Guaranteed Bonds 15/08/2018	148	0.09
\$50,000	inVentiv Health 11% Guaranteed Bonds 15/08/2018	27	0.02
\$375,000	ION Geophysical 8.125% Bonds 15/05/2018	185	0.11
\$1,375,000	ION Geophysical 8.125% Bonds 15/05/2018	678	0.40
\$455,000	J Crew 8.125% Guaranteed Bonds 01/03/2019	289	0.17
\$1,475,000	Jaguar Mining 4.5% Senior Bonds 01/11/2014 (Defaulted)	178	0.11
\$1,975,000	Jaguar Mining 5.5% Senior Bonds 31/03/2016 (Defaulted)	105	0.06
\$365,000	James River Coal 7.875% Guaranteed Bonds 01/04/2019	60	0.04
\$550,000	JC Penney 7.625% Guaranteed Bonds 01/03/2097	234	0.14
\$550,000	JC Penney 7.95% Guaranteed Bonds 01/04/2017	286	0.17
\$815,000	Kinetic ConceptsKCI USA 10.5% Bonds 01/11/2018	565	0.33
\$1,000,000	KOC 3.5% Senior Bonds 24/04/2020	518	0.31
\$330,000	Kodiak Oil & Gas 8.125% Guaranteed Bonds 01/12/2019	222	0.13
\$1,000,000	K-V Pharmaceutical 2.5% Guaranteed Bonds 16/05/2033 (Defaulted)	474	0.28
\$1,000,000	Landry's II 10.25% Senior Bonds 01/01/2018	642	0.38
\$10,000,000	Lehman Bros 5.625% Senior Medium Term Notes 24/01/2013 (Defaulted)	1,286	0.76
\$190,000	Level 3 Communications 11.875% Senior Bonds 01/02/2019	132	0.08
\$1,425,000	Level 3 Financing 8.125% Guaranteed Bonds 01/07/2019	942	0.56
\$1,000,000	Level 3 Financing 8.625% Guaranteed Bonds 15/07/2020	678	0.40
\$555,000	Level 3 Financing 9.375% Guaranteed Bonds 01/04/2019	376	0.22
\$290,000	Manitowoc Inc 8.5% Guaranteed Bonds 01/11/2020	198	0.12
\$215,000	Manitowoc Inc 9.5% Guaranteed Bonds 15/02/2018	138	0.08
\$2,675,000	MannKind 5.75% Senior Bonds 15/08/2015	1,666	0.99
\$375,000	Marfrig Europe 8.375% Guaranteed Bonds 09/05/2018	211	0.13
\$500,000	Marina District Finance 9.875% Senior Bonds 15/08/2018	328	0.19
\$1,000,000	MBIA 7% Senior Bonds 15/12/2025	577	0.34

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bond (continued)			
\$2,500,000	MBIA 7.15% Senior Bonds 15/07/2027	1,450	0.86
\$4,800,000	MBIA Insurance 11.5371% Subordinated Floating Rate Bonds 15/01/2033	2,210	1.31
\$1,000,000	MetroPCS Wireless 6.625% Guaranteed Bonds 01/04/2023	621	0.37
\$600,000	MetroPCS Wireless 7.875% Guaranteed Bonds 01/09/2018	389	0.23
\$1,000,000	MF Global 6.25% Senior Bonds 08/08/2016 (Defaulted)	297	0.18
\$1,000,000	MF Global 9% Senior Bonds 20/06/2038 (Defaulted)	297	0.18
\$1,065,000	MGM Resorts International 7.5% Guaranteed Bonds 01/06/2016	722	0.43
\$1,750,000	MHP 8.25% Guaranteed Bonds 02/04/2020	931	0.55
\$420,000	Michael Foods 9.75% Guaranteed Bonds 15/07/2018	276	0.16
\$675,000	Michaels Stores 7.75% Guaranteed Bonds 01/11/2018	443	0.26
\$275,000	Neebo 15% Bonds 30/06/2016	174	0.10
\$152,000	NewPage 11.375% Senior Bonds 31/12/2014 (Defaulted)	33	0.02
\$380,000	Nexeo Solutions 8.375% Guaranteed Bonds 01/03/2018	228	0.14
\$500,000	North Atlantic Trading 11.5% Bonds 15/07/2016	328	0.19
\$2,029,000	Northland Resources 13% Senior Bonds 15/10/2020	89	0.05
\$2,032,000	Northland Resources 15% Senior Bonds 15/07/2019	849	0.50
\$410,000	NRG Energy 7.625% Guaranteed Bonds 15/01/2018	282	0.17
\$230,000	NRG Energy 8.25% Guaranteed Bonds 01/09/2020	154	0.09
\$4,050,000	OGX Austria 8.375% Guaranteed Bonds 01/04/2022 (Defaulted)	208	0.12
\$500,000	OGX Austria 8.375% Guaranteed Bonds 01/04/2022 (Defaulted)	26	0.02
\$9,380,000	OGX Austria 8.5% Guaranteed Bonds 01/06/2018 (Defaulted)	482	0.29
\$1,200,000	OSX 3 Leasing 9.25% Senior Bonds 20/03/2015	625	0.37
\$315,000	Packaging Dynamics 8.75% Senior Bonds 01/02/2016	196	0.12
\$500,000	PAETEC 9.875% Guaranteed Bonds 01/12/2018	338	0.20
\$2,000,000	Penson Worldwide 12.5% Bonds 15/05/2017 (Defaulted)	295	0.18
\$440,000	Petco Animal Supplies 9.25% Guaranteed Bonds 01/12/2018	286	0.17
\$2,000,000	Petroleos de Venezuela 5% Senior Bonds 28/10/2015	1,001	0.59
\$1,400,000	Petropavlovsk 2010 4% Guaranteed Bonds 18/02/2015	593	0.35
\$7,700,000	Petroplus Finance 4% Senior Bonds 16/10/2015 (Defaulted)	1,345	0.80
\$565,000	Petroplus Finance 7% Senior Bonds 01/05/2017 (Defaulted)	110	0.07
\$1,000,000	Petroplus Finance 9.375% Senior Bonds 15/09/2019 (Defaulted)	195	0.12
\$1,240,000	Petroplus Finance 9.375% Senior Bonds 15/09/2019 (Defaulted)	242	0.14
\$100,000	Physiotherapy Associates 11.875% Senior Bonds 01/05/2019 (Defaulted)	22	0.01
\$376,000	Ply Gem Industries 8.25% Senior Bonds 15/02/2018	242	0.14
\$6,000,000	PMI Inc 4.5% Senior Bonds 15/04/2020 (Defaulted)	36	0.02
\$1,000,000	PMI Inc 6% Senior Bonds 15/09/2016 (Defaulted)	6	-
\$545,000	Polymer 7.75% Senior Bonds 01/02/2019	351	0.21
\$375,000	Powerwave Technologies 2.75% Subordinated Bonds 15/07/2041 (Defaulted)	2	-
\$3,900,000	Powerwave Technologies 3.875% Subordinated Bonds 01/10/2027 (Defaulted)	12	0.01
\$1,800,000	Puerto Rico Highways & Transportation Authority 2.084% Floating Rate Bonds	555	0.33
\$5,000,000	Puerto Rico Infrastructure Financing Authority 0% Bonds	518	0.31
\$750,000	Puerto Rico Sales Tax Financing 0% Bonds	107	0.06
\$6,500,000	Puerto Rico Sales Tax Financing 0% Bonds	464	0.28
\$16,000,000	Puerto Rico Sales Tax Financing 0% Bonds	570	0.34
\$275,000	Quebecor 0% Bonds 01/08/2027 (Defaulted)	-	-
\$541,000	Quebecor Media 7.75% Senior Bonds 15/03/2016	332	0.20
\$470,000	Radiation Therapy Services 9.875% Guaranteed Bonds 15/04/2017	247	0.15
\$450,000	Realogy 7.875% Senior Bonds 15/02/2019	297	0.18
\$500,000	Regions Bank 7.5% Subordinated Bonds 15/05/2018	358	0.21
\$750,000	Reichhold Industries 9% Senior Bonds 08/05/2017	254	0.15
\$475,000	RESPARCS Funding I 8% Perpetual Subordinated Bonds	90	0.05
\$230,000	Reynolds Issuer 8.25% Guaranteed Bonds 15/02/2021	148	0.09
\$305,000	Reynolds Issuer 8.5% Guaranteed Bonds 15/05/2018	195	0.12
\$1,305,000	Reynolds Issuer 9% Guaranteed Bonds 15/04/2019	845	0.50

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bond (continued)			
\$420,000	Reynolds Issuer 9.875% Guaranteed Bonds 15/08/2019	282	0.17
\$75,000	Roust Trading 10% Senior Bonds 31/05/2016	38	0.02
\$500,000	Ruby Tuesday 7.625% Guaranteed Bonds 15/05/2020	284	0.17
\$200,000	SandRidge Energy 7.5% Guaranteed Bonds 15/03/2021	127	0.08
\$500,000	Service InternationalUS 7.625% Senior Bonds 01/10/2018	348	0.21
\$2,000,000	Sino-Forest 6.25% Bonds 21/10/2017 (Defaulted)	2	-
\$1,000,000	Sino-Forest 6.25% Bonds 21/10/2017 (Defaulted)	1	-
\$140,000	Sprint Capital 6.9% Guaranteed Bonds 01/05/2019	92	0.05
\$2,290,000	Sprint Capital 8.75% Guaranteed Bonds 15/03/2032	1,480	0.88
\$125,000	Sprint Nextel 11.5% Senior Bonds 15/11/2021	99	0.06
\$675,000	Sprint Nextel 9% Guaranteed Bonds 15/11/2018	492	0.29
\$510,000	SSI Investments II 11.125% Guaranteed Bonds 01/06/2018	335	0.20
\$113,000	Suburban Propane Partners 7.5% Senior Bonds 01/10/2018	73	0.04
\$345,000	SunEdison 7.75% Guaranteed Bonds 01/04/2019	224	0.13
\$395,000	SunGard Data Systems 7.375% Guaranteed Bonds 15/11/2018	253	0.15
\$2,000,000	Suntech Power 3% Senior Bonds 15/03/2013 (Defaulted)	89	0.05
\$150,000	Supernus Pharmaceuticals 7.5% Senior Bonds 01/05/2019	148	0.09
\$750,000	Tenet Healthcare 8% Senior Bonds 01/08/2020	493	0.29
\$500,000	Tenet Healthcare 9.25% Senior Bonds 01/02/2015	326	0.19
\$600,000	Thompson Creek Metals 9.75% Senior Bonds 01/12/2017	398	0.24
\$1,500,000	T-Mobile USA 6.5% Guaranteed Bonds 15/01/2024	918	0.54
\$1,000,000	T-Mobile USA 6.633% Guaranteed Bonds 28/04/2021	635	0.38
\$700,000	Tower International 5% Senior Bonds 15/09/2014	347	0.21
\$5,000,000	Tristan Oil 0% Senior Bonds 01/01/2016	1,800	1.07
\$3,000,000	United Continental 8% Guaranteed Bonds 15/07/2024	1,814	1.08
\$500,000	United Rentals North America 8.25% Senior Bonds 01/02/2021	341	0.20
\$545,000	United Rentals North America 8.375% Guaranteed Bonds 15/09/2020	367	0.22
\$2,450,000	Urbi Desarrollos Urbanos 8.5% Guaranteed Bonds 19/04/2016 (Defaulted)	208	0.12
\$3,200,000	Urbi Desarrollos Urbanos 9.5% Guaranteed Bonds 21/01/2020 (Defaulted)	270	0.16
\$3,950,000	Urbi Desarrollos Urbanos 9.75% Guaranteed Bonds 03/02/2022 (Defaulted)	335	0.20
\$4,800,000	USEC 3% Senior Bonds 01/10/2014	1,028	0.61
\$1,000,000	Valeant Pharmaceuticals International 6.875% Guaranteed Bonds 01/12/2018	645	0.38
\$1,000,000	Valeant Pharmaceuticals International 7% Guaranteed Bonds 01/10/2020	650	0.39
\$875,000	Vector 7.75% Senior Bonds 15/02/2021	560	0.33
\$500,000	Venoco 8.875% Guaranteed Bonds 15/02/2019	298	0.18
\$500,000	Vertellus Specialties 9.375% Senior Bonds 01/10/2015	296	0.18
\$500,000	Virgolino de Oliveira Finance 10.5% Guaranteed Bonds 28/01/2018	207	0.12
\$625,000	Virgolino de Oliveira Finance 10.5% Guaranteed Bonds 28/01/2018	259	0.15
\$375,000	Virgolino de Oliveira Finance 11.75% Guaranteed Bonds 09/02/2022	155	0.09
\$625,000	Visant 10% Guaranteed Bonds 01/10/2017	363	0.21
\$200,000	VRG Linhas Aereas 10.75% Guaranteed Bonds 12/02/2023	105	0.06
\$1,000,000	Western Express 12.5% Senior Bonds 15/04/2015	382	0.23
\$4,000,000	Yuksek Insaat AS 9.5% Guaranteed Bonds 10/11/2015	1,670	0.99
		115,481	68.51
US Dollar Denominated Fixed Rate Government Bond 4.05% (31 December 2012 3.04%)			
\$500,000	US Treasury 0.25% Bonds 31/01/2014	303	0.18
\$1,000,000	US Treasury 0.375% Bonds 15/11/2014	606	0.36
\$1,000,000	US Treasury 0.875% Bonds 30/11/2016	607	0.36
\$1,500,000	US Treasury 1.625% Bonds 15/11/2022	820	0.49
\$1,000,000	US Treasury 2% Bonds 15/11/2021	578	0.34
\$1,500,000	US Treasury 2.875% Bonds 15/05/2043	738	0.44
\$1,000,000	US Treasury 3.125% Bonds 15/11/2041	524	0.31
\$1,000,000	US Treasury Inflation Indexed 0.125% Bonds 15/04/2017	639	0.38

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Government Bond (continued)			
\$1,000,000	Portugal Obrigacoes do Tesouro OT 4.1% Senior Bonds 15/04/2037	606	0.36
\$3,000,000	US Treasury Inflation Indexed 0.625% Bonds 15/02/2043	1,400	0.83
		6,821	4.05
US Dollar Denominated Equities 1.19% (31 December 2012 0.03%)			
45,661	American Airlines	715	0.42
4,239	Eastman Kodak	85	0.05
2,946	Eastman Kodak (warrants)	31	0.02
465,436	Emerald Plantation	31	0.02
59,500	KV Pharmaceuticals Rights	720	0.43
7	MBIA Insurance (Preference shares)	206	0.12
16,804	Neebo	71	0.04
21,119	PMI Group	77	0.05
9,700	Thompson Creek Metals	74	0.04
		2,010	1.19
Investment assets*		151,518	89.90
Net other assets		17,032	10.10
Total net assets		168,550	100.00

* Including investment liabilities

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the year from 1 January 2013 to 31 December 2013

		01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
	Notes				
Income					
Net capital (losses)/ gains	2		(4,980)		11,248
Revenue	3	13,312		11,193	
Expenses	4	(1,878)		(1,418)	
Finance costs: Interest	6	(1)		(15)	
Net revenue before taxation		11,433		9,760	
Taxation	5	-		-	
Net revenue after taxation			11,433		9,760
Total return before distributions			6,453		21,008
Finance costs: Distributions	6		(13,311)		(11,178)
Change in net assets attributable to shareholders from investment activities			(6,858)		9,830

Statement of change in net assets attributable to shareholders

for the year from 1 January 2013 to 31 December 2013

	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Opening net assets attributable to shareholders		151,543		105,803
Amounts received on issue of shares	29,364		42,201	
Amounts paid on cancellation of shares	(5,499)		(6,291)	
		23,865		35,910
Change in net assets attributable to shareholders from investment activities		(6,858)		9,830
Closing net assets attributable to shareholders		168,550		151,543

The notes on pages 116 to 122 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets					
Investment assets			151,530		127,231
Debtors	7	2,413		2,659	
Cash and bank balances	8	18,659		27,623	
Total other assets			21,072		30,282
Total assets			172,602		157,513
Liabilities					
Investment liabilities			(12)		(392)
Creditors	9	(923)		(2,775)	
Distribution payable on income units		(3,117)		(2,803)	
Total other liabilities			(4,040)		(5,578)
Total liabilities			(4,052)		(5,970)
Net assets attributable to shareholders			168,550		151,543

The notes on pages 116 to 122 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 January 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Bond 3 Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital (losses)/gains

The net capital (losses)/gains on investments comprise:

(Losses)/gains on non-derivatives securities

Gains on currency contracts

Gains on forward currency contracts

Handling charges

Net capital (losses)/gains on investments

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
(8,562)	6,129
988	1,425
2,605	3,719
(11)	(25)
(4,980)	11,248

3 Revenue

Bank and term deposit interest

Interest on overseas debt securities

Interest on UK debt securities

Non taxable overseas dividends

Total revenue

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
16	18
254	-
13,042	6,155
-	5,020
13,312	11,193

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

Other expenses:

Administration fees

Audit fees

Legal fees

Reclaim of VAT

Risk & compliance monitoring fees

Total expenses

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
1,742	1,306
1,742	1,306
18	15
2	6
20	21
95	76
13	12
8	-
-	(3)
-	6
116	91
1,878	1,418

* The Audit fee for the year, excluding VAT, was £10,650 (31 December 2012: £9,576).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Overseas tax	-	-
Total current tax charge for the year (see note 5(b))	-	-
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year	-	-

b) Factors affecting current tax charge for the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:		
Net revenue before taxation	11,433	9,760
Corporation tax at 20% (31 December 2011: 20%)	2,287	1,952
Effects of:		
Franked investment revenue at 20%	-	(2)
Tax deductible interest distributions	(2,287)	(1,950)
Total current tax charge for the year (see note 5(a))	-	-

OEIC's are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.01.13 to 31.12.13	01.01.12 to 31.12.12
Deferred tax at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax at the end of the year	-	-

At 31 December 2013 the sub-fund had surplus management expenses of £3,627,307 (31 December 2012: £3,627,307), which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
First Interim (31 March)	3,842	2,433
Second Interim (30 June)	2,595	2,857
Third Interim (30 September)	3,218	2,983
Final (31 December)	3,863	3,400
	13,518	11,673
Revenue deducted on cancellation of shares	55	64
Revenue received on issue of shares	(262)	(559)
Finance costs: Distributions	13,311	11,178
Finance costs: Interest	1	15
Total finance costs	13,312	11,193
Reconciliation of distributions:		
Net revenue after taxation	11,433	9,760
Capitalised fees	1,878	1,418
Finance costs: Distributions	13,311	11,178

Details of the interim and final distributions per share are set out in the table on page 123.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued revenue	2,413	2,352
Amounts receivable for issue of shares	-	307
Total debtors	2,413	2,659

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Cash and bank balances	18,659	27,623
Total cash and bank balances	18,659	27,623

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	162	136
Accrued Depositary's fees	2	2
Accrued expenses	76	45
Income tax payable	683	650
Purchases awaiting settlement	-	1,942
Total creditors	923	2,775

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies receivable on issue and payable on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 114. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and floating rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The foreign currency exposure of the sub-fund as at 31 December 2013 (31 December 2012) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
	exposures*	exposures		exposures*	exposures	
	31.12.13	31.12.13	31.12.13	31.12.12	31.12.12	31.12.12
	£'000	£'000	£'000	£'000	£'000	£'000
Canadian Dollar	-	1	1	-	(13)	(13)
Euro	40	(886)	(846)	(513)	313	(200)
Japanese Yen	-	(35)	(35)	-	(79)	(79)
Norwegian Krone	26	130	156	-	-	-
Swedish Krona	-	6	6	-	(21)	(21)
US Dollar	3,143	(4,301)	(1,158)	5,527	(8,045)	(2,518)
Total	3,209	(5,085)	(1,876)	5,014	(7,845)	(2,831)

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 (31 December 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Canadian Dollar	-	321	24	345
Euro	4,871	17,085	195	22,151
Japanese Yen	-	2,161	10	2,171
Norwegian Krone	1,276	-	245	1,521
Sterling	15,450	-	159,016	174,466
Swedish Krona	-	475	9	484
US Dollar	3,698	121,141	4,183	129,022
Total	25,295	141,183	163,682	330,160

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.12				
Canadian Dollar	-	185	-	185
Euro	1,378	18,392	-	19,770
Japanese Yen	-	4,010	-	4,010
Norwegian Krone	-	1,330	-	1,330
Sterling	20,663	1,610	135,733	158,006
Swedish Krona	-	483	-	483
US Dollar	9,993	96,265	44	106,302
Total	32,034	122,275	135,777	290,086

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Canadian Dollar	-	(344)	(344)
Euro	-	(22,997)	(22,997)
Japanese Yen	-	(2,206)	(2,206)
Norwegian Krone	-	(1,365)	(1,365)
Sterling	-	(4,040)	(4,040)
Swedish Krona	-	(478)	(478)
US Dollar	-	(130,180)	(130,180)
Total	-	(161,610)	(161,610)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.12			
Australian Dollar	-	-	-
Canadian Dollar	-	(198)	(198)
Euro	-	(19,770)	(19,770)
Hong Kong Dollar	-	-	-
Japanese Yen	-	(4,090)	(4,090)
Norwegian Krone	-	(1,329)	(1,329)
Singapore Dollar	-	-	-
Sterling	-	(3,632)	(3,632)
Swedish Krona	-	(504)	(504)
Swiss Franc	-	-	-
US Dollar	-	(108,820)	(108,820)
Total	-	(138,343)	(138,343)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Canadian Dollar	11.50%	3.09 years
Euro	5.85%	3.17 years
Euro Fixed Perpetual	3.95%	-
Euro Variable	0.72%	29.41 years
Japanese Yen	1.84%	4.85 years
Swedish Krona	7.50%	1.25 years
US Dollar	7.49%	7.23 years
US Dollar Fixed Perpetual	8.00%	-
US Dollar Variable	8.66%	1.97 years

2012		
Canadian Dollar	11.50%	4.09 years
Euro	5.60%	32.47 years
Japanese Yen	3.08%	2.62 years
Norwegian Krone	8.81%	2.98 years
Sterling	7.75%	4.48 years
Swedish Krona	7.50%	2.25 years
US Dollar	8.10%	6.78 years

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated was 3.20% (Source: Old Mutual Global Investors Limited/Factsheet)

Analysis of bonds	£'000	%
Investment Grade	5,403	3.20
Below Investment Grade	94,922	56.31
Unrated	47,494	28.19
	147,819	87.70

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Bond 3 Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Bond 3 Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 2.86% and 5.72% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 2.82%, 3.37% and 6.15%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 December 2012: £Nil).

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current year and prior year.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Bond 3 Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 105.

Distribution Table

Final distribution

Group 1: Shares purchased prior to 1 October 2013
 Group 2: Shares purchased from 1 October 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share	Distribution paid 28.02.13 pence per share
Income 'A' Shares						
Group 1	0.9529	0.1906	0.7623	-	0.7623	0.7949
Group 2	0.5184	0.1037	0.4147	0.3476	0.7623	0.7949
Income 'R' Shares***						
Group 1	1.0268	0.2054	0.8214	-	0.8214	-
Group 2	0.6760	0.1352	0.5408	0.2806	0.8214	-

Third Interim distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 30 September 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.11.13 pence per share	Distribution paid 30.11.12 pence per share
Income 'A' Shares						
Group 1	0.8696	0.1739	0.6957	-	0.6957	0.8407
Group 2	0.4868	0.0974	0.3894	0.3063	0.6957	0.8407
Income 'R' Shares***						
Group 1	0.4270	0.0854	0.3416	-	0.3416	-
Group 2	0.0415	0.0083	0.0332	0.3084	0.3416	-

Second Interim distribution

Group 1: Shares purchased prior to 1 April 2013
 Group 2: Shares purchased from 1 April 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share	Distribution paid 31.08.12 pence per share
Income 'A' Shares						
Group 1	0.7279	0.1456	0.5823	-	0.5823	0.8264
Group 2	0.0193	0.0039	0.0154	0.5669	0.5823	0.8264

First Interim distribution

Group 1: Shares purchased prior to 1 January 2013
 Group 2: Shares purchased from 1 January 2013 to 31 March 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.13 pence per share	Distribution paid 31.05.12 pence per share
Income 'A' Shares						
Group 1	1.1106	0.2221	0.8885	-	0.8885	0.7312
Group 2	0.6166	0.1233	0.4933	0.3952	0.3952	0.7312

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

*** Income 'R' Shares launched on 2 August 2013.

Old Mutual Fidelity Global Focus Fund

Launch date	24 April 2013
Sector classification	Global
Investment adviser	FIL Pensions Management
Net asset value	£31,869,540

Objective and Policy

The sub-fund aims to achieve long term capital growth from a diversified portfolio primarily made up of the shares of companies from around the world. In terms of geographical split, the portfolio is invested broadly in relation to the relative sizes and attractiveness of world equity markets. Within the portfolio there is a bias towards the larger quoted companies in each market, but the sub-fund is not restricted in this regard, or in terms of the industrial or geographical split of the portfolio.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£31,869,540	30,111,680	105.84

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	107.3	95.68

* The sub-fund launched on the 24 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.0000

* The sub-fund launched on 24 April 2013.

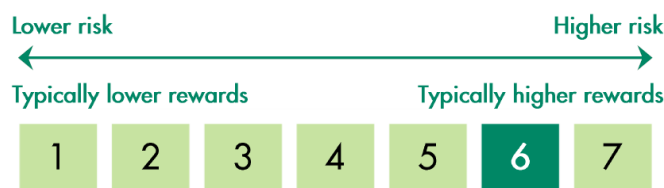
** to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The sub-fund trailed the benchmark index over the review period. Selected holdings were affected by the relative weakness in emerging markets amid expectations of the US Federal Reserve reducing its bond purchases. In particular, a holding in the Kasikornbank hurt returns, subdued further by the political unrest in Thailand. Elsewhere, returns from selected tobacco holdings were subdued by an overall switch out of consumer staples. A cautious outlook by peer Philip Morris held back a holding in Japan Tobacco, whilst a position in Gudang Garam was caught in broader concerns about the Indonesian economy. Meanwhile, exposure to Newcrest Mining detracted amid a sharp decline in gold prices. On an encouraging note, a holding in Kinnevik Investment was a key contributor. The sub-fund was overweight South Africa-based Naspers, which benefited from its investment in Chinese social networking portal Tencent that delivered strong earnings growth. Expectations of an initial public offering from Zalando boosted shares in Kinnevik, a key stakeholder in the leading European online retailer. Exposure to drug distributor McKesson proved rewarding, as its takeover of peer Celesio lifted shares in the former.

Old Mutual Fidelity Global Focus Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 6 have in the past shown relatively high volatility. With a fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the Fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the Fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of sub-fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please see the section in the Prospectus headed "Risks".

Portfolio allocation

North America	50.06%
Europe	18.35%
Japan	11.09%
United Kingdom	7.16%
Asia Pacific (Excluding Japan)	6.53%
Africa	2.51%
South America	0.76%

Net other assets 3.54%

Total **100.00%**

Asset allocation

Equities 96.46%

Net other assets 3.54%

Total **100.00%**

Major holdings Percentage of portfolio

Investment AB Kinnevik	2.23%
Oracle	1.95%
US Bancorp	1.83%
General Electric	1.76%
Citigroup	1.76%
Amgen	1.68%
Google	1.66%
CVS Caremark	1.61%
Sanofi	1.56%
Grifols ADR	1.53%

Number of holdings **102**

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'*** 1.72%

* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 7.16%			
United Kingdom Equities 7.16%			
122,374	Barclays	334	1.05
79,697	BBA Aviation	255	0.80
101,886	Cairn Energy	277	0.87
25,669	GlaxoSmithKline	414	1.30
63,293	HSBC	420	1.32
6,761	Johnson Matthey	221	0.69
11,715	SABMiller	362	1.13
		2,283	7.16
Africa 2.51%			
South Africa Equities 2.51%			
12,200	KB Financial	295	0.93
118,700	Life Healthcare	285	0.89
3,500	Naspers	220	0.69
		800	2.51
Asia Pacific (Excluding Japan) 6.53%			
Australia Equities 0.92%			
15,240	Newcrest Mining	64	0.20
6,206	Rio Tinto	229	0.72
		293	0.92
China Equities 2.10%			
132,200	China Pacific Insurance	314	0.99
10,754	Mindray Medical ADR	236	0.74
121,000	Wumart Stores	119	0.37
		669	2.10
Hong Kong Equities 0.70%			
117,000	Hang Lung Properties	223	0.70
India Equities 2.39%			
20,861	Cummins India	97	0.30
9,837	Dr Reddy's Laboratories	244	0.77
30,312	Housing Development Finance	236	0.74
7,842	Info Edge India	35	0.11
11,999	Jubilant Foodworks	149	0.47
		761	2.39
Thailand Equities 0.42%			
45,400	Kasikornbank	133	0.42
Europe 18.35%			
Belgium Equities 1.14%			
10,613	KBC	364	1.14
Denmark Equities 1.36%			
73,872	TDC	434	1.36

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	France Equities 3.12%		
2,641	Christian Dior	301	0.94
7,763	Sanofi	496	1.56
3,222	Sodexo	198	0.62
		995	3.12
	Germany Equities 1.83%		
5,245	Daimler	276	0.87
1,800	Volkswagen (Preference shares)	307	0.96
		583	1.83
	Luxembourg Equities 0.55%		
16,188	ArcelorMittal	174	0.55
	Netherlands Equities 2.32%		
29,520	Delta Lloyd	442	1.39
10,690	NXP Semiconductor	297	0.93
		739	2.32
	Spain Equities 1.53%		
22,232	Grifols ADR	487	1.53
	Sweden Equities 3.97%		
25,282	Investment AB Kinnevik	710	2.23
32,400	Nordea Bank	265	0.83
39,468	Telefonaktiebolaget LM Ericsson	292	0.91
		1,267	3.97
	Switzerland Equities 2.53%		
7,755	Tyco International	193	0.61
30,283	UBS	348	1.09
7,706	Wolseley	264	0.83
		805	2.53
	Japan 11.09%		
	Japan Equities 11.09%		
14,900	Japan Tobacco	293	0.92
9,500	KDDI	354	1.11
48,000	Mitsubishi Electric	365	1.14
12,000	Mitsubishi Estate	217	0.68
19,800	Nomura Research Institute	378	1.19
36,000	ORIX	383	1.20
41,600	Rakuten	375	1.18
13,600	Seven & I	327	1.03
4,100	SoftBank	217	0.68
11,200	Sumitomo Mitsui Financial	349	1.09
17,000	Suzuki Motor	277	0.87
		3,535	11.09
	North America 50.06%		
	Bermuda Equities 0.26%		
12,090	Kosmos Energy	82	0.26

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Canada Equities 2.94%			
10,884	Africa Oil	57	0.18
2,608	Canadian Pacific Railway	237	0.75
9,659	Goldcorp	122	0.38
8,990	Imperial Oil	240	0.75
13,386	Suncor Energy	281	0.88
		937	2.94
United States of America Equities 46.86%			
11,590	AbbVie	372	1.17
28,581	Activision Blizzard	308	0.97
3,732	Allergan	250	0.78
14,443	Altera	283	0.89
7,661	Amgen	535	1.68
7,482	Anadarko Petroleum	358	1.12
7,750	Beam	317	0.99
15,043	Chesapeake Energy	246	0.77
20,227	Cisco Systems	272	0.85
17,843	Citigroup	561	1.76
6,348	Citrix Systems	242	0.76
6,277	CME	298	0.93
4,664	Covance	248	0.78
11,829	CVS Caremark	512	1.61
5,810	Danaher	270	0.85
10,568	eBay	345	1.08
20,700	EMC	314	0.99
6,114	Estee Lauder	278	0.87
11,011	Express Scripts	468	1.47
5,575	F5 Networks	303	0.95
3,007	FedEx	260	0.82
16,545	Fidelity National Financial	326	1.02
33,255	General Electric	561	1.76
787	Google	528	1.66
9,700	Harley-Davidson	405	1.27
3,098	Hubbell	204	0.64
1,931	IntercontinentalExchange	261	0.82
4,680	Marathon Petroleum	251	0.79
2,601	McKesson	253	0.79
7,696	Medtronic	267	0.84
8,620	Merck & Co	260	0.82
16,994	Mondelez	361	1.13
5,857	Monster Beverage	240	0.75
6,300	Mosaic	179	0.56
15,901	Nielsen	439	1.38
14,129	Nuance Communications	128	0.40
27,786	NVIDIA	268	0.84
627	NVR	391	1.23
4,521	Occidental Petroleum	259	0.81
27,056	Oracle	622	1.95
12,300	Orexigen Therapeutics	42	0.13
7,945	SBA Communications	430	1.35
17,150	Textron	378	1.19
24,016	US Bancorp	585	1.83
6,467	Verisk Analytics	258	0.81
		14,936	46.86

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	South America 0.76%		
	Brazil Equities 0.76%		
8,931	Cia Brasileira de Distribuicao Grupo Pao de Acucar ADR	241	0.76
	Investment assets	30,741	96.46
	Net other assets	1,129	3.54
	Total net assets	31,870	100.00

The sub-fund launched on the 12 April 2013. Therefore there are no comparatives.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 12 April 2013 to 31 December 2013

	Notes	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Income			
Net capital gain	2		1,845
Revenue	3	360	
Expenses	4	(372)	
Finance costs: Interest	6	-	
Net expense before taxation		(12)	
Taxation	5	(35)	
Net expense after taxation			(47)
Total return before distributions			1,798
Finance costs: Distributions	6		(1)
Change in net assets attributable to shareholders from investment activities			1,797

Statement of change in net assets attributable to shareholders

for the period from 12 April 2013 to 31 December 2013

	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	32,743	
Amounts paid on cancellation of shares	(2,656)	
		30,087
Stamp duty reserve tax		(14)
Change in net assets attributable to shareholders from investment activities		1,797
Closing net assets attributable to shareholders		31,870

The sub-fund launched on the 12 April 2013. Therefore there are no comparatives.

The notes on pages 132 to 137 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			30,741
Debtors	7	148	
Cash and bank balances	8	1,245	
Total other assets			1,393
Total assets			32,134
Liabilities			
Creditors	9	(241)	
Bank overdrafts		(23)	
Total other liabilities			(264)
Total liabilities			(264)
Net assets attributable to shareholders			31,870

The sub-fund launched on the 12 April 2013. Therefore there are no comparatives.

The notes on pages 132 to 137 form an integral part of these statements.

Notes to the financial statements

for the period from 12 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Fidelity Global Focus Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Losses on derivative securities

Handling charges

Net capital gains on investments

12.04.13 to

31.12.13

£'000

1,905

(53)

(1)

(6)

1,845

3 Revenue

Bank and term deposit interest

Non-taxable overseas dividends

UK dividends

Total revenue

12.04.13 to

31.12.13

£'000

2

351

7

360

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

12.04.13 to

31.12.13

£'000

332

332

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

3

1

4

Other expenses:

Administration fees

Audit fees

28

8

36

Total expenses

372

* The Audit fee for the period, excluding VAT, was £6,800.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	12.04.13 to 31.12.13 £'000
Overseas tax suffered	35
Total current tax charge for the period (see note 5(b))	35
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	35

b) Factors affecting current tax charge for the period

	12.04.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net expense before taxation	(12)
Corporation tax at 20%	(2)
Effects of:	
Excess management expenses for which no relief taken	74
Franked investment revenue at 20%	(1)
Non-taxable overseas dividends	(71)
Overseas tax suffered	35
Total current tax charge for the period (see note 5(a))	35

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	12.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £372,572, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	24.04.13 to 31.12.13 £'000
Final (31 December)	-
Revenue deducted on cancellation of shares	-
Revenue received on issue shares	1
Finance costs: Distributions	1
Finance costs: Interest	-
Total finance costs	1
Reconciliation of distributions:	
Net revenue after taxation	(47)
Revenue deficit reimbursed from capital	48
Finance costs: Distributions	1

Details of the final distributions per share are set out in the table on page 138.

7 Debtors

	31.12.13 £'000
Accrued revenue	20
Amounts receivable for issue of shares	19
Overseas tax recoverable	6
Sales awaiting settlement	103
Total debtors	148

8 Cash and bank balances

	31.12.13 £'000
Amounts held at futures clearing houses and brokers	35
Cash and bank balances	1,210
Total cash and bank balances	1,245

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	40
Accrued expenses	36
Amounts payable for cancellation of shares	29
Purchases awaiting settlement	136
Total creditors	241

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 130. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	-	293	293
Canadian Dollar	1	939	940
Danisk Krone	-	434	434
Euro	-	2,387	2,387
Hong Kong Dollar	-	656	656
Indian Rupee	-	762	762
Japanese Yen	1	3,536	3,537
South African Rand	4	505	509
South Korean Won	-	295	295
Swedish Krona	-	1,267	1,267
Swiss Franc	425	348	773
Thailand Baht	-	132	132
US Dollar	814	16,628	17,442
Total	1,245	28,182	29,427

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Australian Dollar	-	-	293	293
Canadian Dollar	1	-	939	940
Danisk Krone	-	-	434	434
Euro	-	-	2,387	2,387
Hong Kong Dollar	-	-	656	656
Indian Rupee	-	-	762	762
Japanese Yen	1	-	3,536	3,537
South African Rand	4	-	505	509
South Korean Won	-	-	295	295
Sterling	-	-	2,571	2,571
Swedish Krona	-	-	1,267	1,267
Swiss Franc	425	-	348	773
Thailand Baht	-	-	132	132
US Dollar	814	-	16,764	17,578
Total	1,245	-	30,889	32,134

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Sterling	(23)	(105)	(128)
US Dollar	-	(136)	(136)
Total	(23)	(241)	(264)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Notes to the financial statements (continued)

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Fidelity Global Focus Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Fidelity Global Focus Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 7.49% and 7.36% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 6.77%, 7.30% and 7.68%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs

Purchases in the period before transaction costs

Commissions

Other costs

Total purchase costs

Gross purchases total

Analysis of total sale costs

Gross sales in the period before transaction costs

Commissions

Other costs

Total sale costs

Total sales net of transaction costs

	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Purchases in the period before transaction costs		54,770
Commissions	21	
Other costs	12	
Total purchase costs		33
Gross purchases total		54,803
Gross sales in the period before transaction costs		25,934
Commissions	(17)	
Other costs	(4)	
Total sale costs		(21)
Total sales net of transaction costs		25,913

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Fidelity Global Focus Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 124.

Distribution table

Final distribution

Group 1: Shares purchased on 24 April 2013
Group 2 : Shares purchased from 25 April 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution payable 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Fidelity Moneybuilder Income Fund

Launch date	14 November 2013
Sector classification	Sterling Corporate Bond
Investment adviser	FIL Pensions Management
Net asset value	£45,533,603

Objective and policy

The sub-fund aims to achieve income from a portfolio primarily invested in sterling-denominated (or hedged back to sterling) fixed interest securities.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Income 'A'	£45,533,603	46,311,939	98.32

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Income 'A'	100.30	98.59

* The sub-fund launched on the 14 November 2013.

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Income 'A'	0.3816

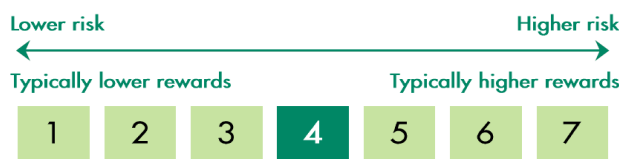
* to ex-dividend date of 31 December 2013 (paid on 31 January 2014)

Investment Manager's review

The long credit beta position was the most significant contributor as credit spreads tightened. In particular, the bias towards lower rated investment grade issues proved beneficial to returns as investors continued to search for yield. For instance, the overweight in BBB rated bonds of Great Rolling Stock and Gatwick in the transportation sector and Tesco within consumer non-cyclicals added value. At the sector level, the underweight in banks detracted from performance as financial outperformed industrial corporate bonds. However, the losses from the sector were partially offset by the overweight in the subordinated bonds such as HSBC and UBS. Likewise, the overweight in insurance names such as Aviva also benefitted relative returns. However, gains were partially offset by detrimental interest rate strategy. The lower duration position versus the index supported performance amid rising Gilt yields. However, gains were more-than-offset by losses from an overweight stance in the middle of the curve, where yields increased the most. A small cross-market exposure to US duration also hurt returns as Treasury yields increased.

Risk and Reward Profile

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 4 have in the past shown moderate volatility. With a fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Credit risk - the issuer of a bond or similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk - some investments may become hard to value or sell at a determined time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. The hedging process may not give a precise hedge, and some currency risk may remain. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to generate returns as well as to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM, they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United Kingdom	64.94%
Europe	17.13%
North America	14.10%
Asia Pacific (Excluding Japan)	0.83%
Derivatives	0.26%

Net other assets	2.74%
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Total	100.00%
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Asset allocation

Sterling Debt securities	82.42%
US Dollar Debt securities	9.14%
Euro Debt securities	5.44%
Derivatives	0.26%

Net other assets	2.74%
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Total	100.00%
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Major holdings

	Percentage of portfolio
Aspire Defence Finance 4.674% Bonds 31/03/2040	1.96%
United Kingdom Gilt 6% Bonds 07/12/2028	1.58%
Lloyds Bank 6% Guaranteed Bonds 08/02/2030	1.23%
United Kingdom Gilt 4.25% Bonds 07/06/2032	1.23%
Great Rolling Stock 6.875% Senior European Medium Term Bonds 27/07/2035	1.21%
Russian Railways 7.487% Senior Bonds 25/03/2031	1.21%
Verizon Communications 6.55% Senior Bonds 15/09/2043	1.11%
Tesco Property Finance 3 5.744% Mortgage-Backed Bonds 13/04/2040	1.01%
Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/04/2022	0.99%
Deutsche Telekom International Finance 6.5% Guaranteed European Medium Term Bonds 08/04/2022	0.96%

Number of holdings	335
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Ongoing charges figure (OCF)*

31.12.13 Income 'A**	0.92%
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* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the period, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling 82.62%		
	Sterling Denominated Corporate Bond 73.79%		
	Sterling Denominated Fixed Rate Corporate Bond 72.34%		
£85,000	AA 4.2487% Senior European Medium Term Bonds 31/07/2043	83	0.18
£313,000	AA 4.7201% Senior European Medium Term Bonds 02/07/2043	325	0.71
£407,000	Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/04/2022	453	0.99
£195,000	Abbey National Treasury Services 5.25% Guaranteed European Medium Term Bonds 16/02/2030	218	0.48
£136,000	Abbey National Treasury Services 5.75% Guaranteed European Medium Term Bonds 02/03/2027	158	0.35
£152,000	ABP Finance 6.25% Senior European Medium Term Bonds 14/12/2026	172	0.38
£25,000	America MovilCV 5% Senior Bonds 27/10/2026	26	0.06
£110,000	American International 5% Senior European Medium Term Bonds 26/04/2023	118	0.26
£68,000	Amgen 4% Senior Bonds 13/09/2029	63	0.14
£119,000	Anglian Water Services Financing 4.5% Senior European Medium Term Bonds 05/10/2027	119	0.26
£34,000	Anglian Water Services Financing 5.837% Senior European Medium Term Bonds 30/07/2022	39	0.09
£119,000	Anheuser-Busch InBev 4% Guaranteed European Medium Term Bonds 24/09/2025	118	0.26
£20,000	Annington Finance No 1 8% Bonds 02/10/2021	25	0.05
£76,000	Arqiva Financing 4.04% Senior European Medium Term Bonds 30/06/2035	76	0.17
£169,000	Arqiva Financing 4.882% Senior European Medium Term Bonds 31/12/2032	167	0.37
£906,000	Aspire Defence Finance 4.674% Bonds 31/03/2040	894	1.96
£85,000	Assicurazioni Generali 6.269% Perpetual Subordinated Bonds	77	0.17
£102,000	Assicurazioni Generali SpA 6.416% Perpetual Subordinated Bonds	95	0.21
£17,000	Aviva 5.9021% Perpetual Subordinated Bonds	17	0.04
£398,000	Aviva 6.125% Perpetual Subordinated Bonds	409	0.90
£186,000	Aviva 6.875% Subordinated European Medium Term Bonds 20/05/2058	206	0.45
£17,000	AWG Parent 6.875% Guaranteed Bonds 21/08/2023	21	0.05
£17,000	Bank of Scotland 10.5% Subordinated Bonds 16/02/2018	21	0.05
£17,000	Bank of Scotland 11% Subordinated Bonds 17/01/2014	17	0.04
£127,000	Bank of Scotland 4.875% Guaranteed European Medium Term Bonds 08/11/2016	139	0.31
£17,000	Bank of Scotland 4.875% Guaranteed European Medium Term Bonds 20/12/2024	18	0.04
£216,000	Barclays Bank 4.25% Guaranteed European Medium Term Bonds 12/01/2022	229	0.50
£30,000	Barclays Bank 6% Perpetual Subordinated Bonds 29/06/2049	28	0.06
£85,000	Barclays Bank 6% Perpetual Subordinated Bonds 29/07/2049	77	0.17
£169,000	Barclays SLCSM Funding 6.14% Guaranteed Perpetual European Medium Term Bonds	171	0.38
£161,000	BAT International Finance 6% Guaranteed European Medium Term Bonds 24/11/2034	192	0.42
£254,000	BAT International Finance 6.375% Guaranteed European Medium Term Bonds 12/12/2019	299	0.66
£161,000	BAT International Finance 7.25% Guaranteed European Medium Term Bonds 12/03/2024	203	0.45
£221,000	Bishopsgate Asset Finance 4.808% Bonds 14/08/2044	197	0.43
£127,000	BL Superstores Finance 4.482% Bonds 04/10/2030	133	0.29
£102,000	BNP Paribas 5.945% Perpetual Subordinated Bonds	104	0.23
£169,000	British Land 5.357% Bonds 31/03/2028	170	0.37
£110,000	British Telecommunications 6.375% Senior European Medium Term Bonds 23/06/2037	132	0.29
£17,000	British Telecommunications 6.625% Senior European Medium Term Bonds 23/06/2017	19	0.04
£85,000	British Telecommunications 8.5% Senior Bonds 07/12/2016	100	0.22
£17,000	Cellco Partnership Verizon Wireless Capital 8.875% Senior Bonds 18/12/2018	22	0.05
£97,000	Centrica 4.25% Senior European Medium Term Bonds 12/09/2044	89	0.20
£25,000	Centrica 4.375% Senior European Medium Term Bonds 13/03/2029	25	0.05
£169,000	Centrica 6.375% Senior European Medium Term Bonds 10/03/2022	198	0.43
£34,000	Centrica 6.4% Senior European Medium Term Bonds 04/09/2026	40	0.09
£237,000	Clydesdale Bank 4.625% Guaranteed European Medium Term Bonds 08/06/2026	246	0.54
£152,000	Comcast 5.5% Guaranteed Bonds 23/11/2029	167	0.37
£110,000	Commonwealth Bank of Australia 3% Guaranteed European Medium Term Bonds 04/09/2026	99	0.22
£59,000	Community Finance 1 5.017% European Medium Term Bonds 31/07/2034	65	0.14

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£51,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank 5.25% Subordinated European Medium Term Bonds 14/09/2027	51	0.11
£166,000	Co-Operative Bank 4.75% Guaranteed Bonds 11/11/2021	173	0.38
£339,000	CPUK Finance 4.811% Senior European Medium Term Bonds 28/02/2042	359	0.79
£39,000	CPUK Finance 11.625% Senior European Medium Term Bonds 28/02/2042	45	0.10
£25,000	CTRL Section 1 Finance 5.234% 02/05/2035	29	0.06
£17,000	Daily Mail & General Trust 10% Senior Bonds 09/04/2021	22	0.05
£93,000	Daily Mail & General Trust 6.375% Senior Bonds 21/06/2027	99	0.22
£169,000	Dali Capital 4.79924% Bonds 21/12/2037	163	0.36
£17,000	Delamare Finance 5.5457% Mortgage-Backed Bonds 19/02/2029	18	0.04
£373,000	Deutsche Telekom International Finance 6.5% Guaranteed European Medium Term Bonds 08/04/2022	437	0.96
£146,000	Deutsche Telekom International Finance 8.875% Guaranteed Bonds 27/11/2028	210	0.46
£171,000	Dignity Finance 6.31% Bonds 31/12/2023	198	0.43
£34,000	Dignity Finance 8.151% Bonds 31/12/2031	45	0.10
£102,000	Direct Line Insurance 9.25% Guaranteed Bonds 27/04/2042	125	0.27
£339,000	DIRECTV 4.375% Guaranteed Bonds 14/09/2029	307	0.67
£68,000	Dwr Cymru Financing 6.015% European Medium Term Bonds 31/03/2028	79	0.17
£127,000	Dwr Cymru Financing 6.907% European Medium Term Bonds 31/03/2021	153	0.34
£110,000	Eastern Power Networks 4.75% Senior European Medium Term Bonds 30/09/2021	117	0.26
£188,000	Edinburgh Investment Trust 7.75% Bonds 30/09/2022	227	0.50
£220,000	Electricite de France 5.5% Senior European Medium Term Bonds 17/10/2041	243	0.53
£203,000	Electricite de France 6% Perpetual Subordinated European Medium Term Bonds	211	0.46
£212,000	Electricite de France 6.125% Senior European Medium Term Bonds 02/06/2034	249	0.55
£271,000	Electricite de France 6.25% Senior European Medium Term Bonds 30/05/2028	316	0.69
£59,000	Enel Finance 7.75% Subordinated Bonds 10/09/2075	63	0.14
£34,000	Enel Finance International 5.625% Guaranteed European Medium Term Bonds 14/08/2024	35	0.08
£85,000	Enterprise Inns 6% Bonds 03/02/2014	85	0.19
£481,000	Enterprise Inns 6.375% Bonds 26/09/2031	423	0.93
£208,000	Enterprise Inns 6.5% Bonds 06/12/2018	214	0.47
£34,000	ENW Finance 6.125% Guaranteed European Medium Term Bonds 21/07/2021	39	0.09
£51,000	European Investment Bank 2.5% Senior European Medium Term Bonds 31/10/2022	48	0.11
£144,000	European Investment Bank 6% Senior Bonds 07/12/2028	177	0.39
£17,000	Eversholt Funding 5.831% Senior European Medium Term Bonds 02/12/2020	19	0.04
£34,000	Eversholt Funding 6.359% Senior European Medium Term Bonds 02/12/2025	39	0.09
£356,000	Eversholt Funding 6.697% Senior European Medium Term Bonds 22/02/2035	421	0.92
£102,000	Experian Finance 4.75% Guaranteed European Medium Term Bonds 23/11/2018	111	0.24
£364,000	Firstgroup 5.25% Guaranteed Bonds 29/11/2022	370	0.81
£25,000	Firstgroup 6.125% Guaranteed Bonds 18/01/2019	27	0.06
£186,000	Foreign & Colonial Investment Trust 11.25% Bonds 31/12/2014	200	0.44
£17,000	Freshwater Finance 4.556% Bonds 03/04/2036	16	0.03
£237,000	Gatwick Funding 5.25% Senior European Medium Term Bonds 23/01/2026	254	0.56
£119,000	Gatwick Funding 5.75% Senior European Medium Term Bonds 23/01/2039	132	0.29
£110,000	Gatwick Funding 6.125% Senior European Medium Term Bonds 02/03/2028	126	0.28
£68,000	Gazprom OAO Via Gaz Capital 5.338% Senior European Medium Term Bonds 25/09/2020	71	0.16
£17,000	Gesb 8.35% Senior Bonds 15/11/2018	20	0.04
£17,000	GHQB 12.625% Bonds 13/03/2015	19	0.04
£339,000	GlaxoSmithKline Capital 3.375% Guaranteed European Medium Term Bonds 20/12/2027	308	0.68
£102,000	Glencore Finance Europe 6% Guaranteed Bonds 03/04/2022	112	0.25
£85,000	Great Portland Estates 5.625% Bonds 31/01/2029	89	0.20
£288,000	Great Rolling Stock 6.25% Senior European Medium Term Bonds 27/07/2020	329	0.72
£465,000	Great Rolling Stock 6.875% Senior European Medium Term Bonds 27/07/2035	553	1.21
£13,000	Greene King Finance 5.318% Bonds 15/09/2031	14	0.03
£85,000	HBOS Sterling Finance Jersey 7.881% Guaranteed Perpetual Bonds	91	0.20
£119,000	Heathrow Funding 4.625% Guaranteed European Medium Term Bonds 31/10/2048	115	0.25
£17,000	Heathrow Funding 5.225% Senior European Medium Term Bonds 15/02/2025	18	0.04

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£296,000	Heathrow Funding 6.75% Senior European Medium Term Bonds 03/12/2028	363	0.80
£17,000	Holmes Master Issuer 4.009% Mortgage-Backed European Medium Term Bonds 15/10/2054	18	0.04
£169,000	Housing Finance 8.625% Senior Bonds 13/11/2023	228	0.50
£152,000	HSBC 5% Subordinated European Medium Term Bonds 20/03/2023	160	0.35
£17,000	HSBC 5.75% Subordinated European Medium Term Bonds 20/12/2027	18	0.04
£144,000	HSBC 6% Subordinated European Medium Term Bonds 29/03/2040	158	0.35
£17,000	HSBC 6.375% Subordinated European Medium Term Bonds 18/10/2022	19	0.04
£17,000	HSBC 6.5% Subordinated European Medium Term Bonds 07/07/2023	19	0.04
£127,000	HSBC 6.75% Subordinated Bonds 11/09/2028	148	0.32
£136,000	HSBC 7% Subordinated European Medium Term Bonds 07/04/2038	166	0.36
£220,000	HSBC Capital Funding Sterling 5.844% Guaranteed Perpetual Bonds	224	0.49
£59,000	Iberdrola Finanzas 7.375% Guaranteed European Medium Term Bonds 29/01/2024	70	0.15
£186,000	Imperial Tobacco Finance 5.5% Guaranteed European Medium Term Bonds 28/09/2026	201	0.44
£42,000	Imperial Tobacco Finance 6.25% Guaranteed European Medium Term Bonds 04/12/2018	48	0.10
£195,000	Imperial Tobacco Finance 7.75% Guaranteed European Medium Term Bonds 24/06/2019	235	0.52
£296,000	Imperial Tobacco Finance 9% Guaranteed European Medium Term Bonds 17/02/2022	392	0.86
£17,000	International Bank for Reconstruction & Development 5.75% Senior European Medium Term Bonds 07/06/2032	22	0.05
£144,000	Intu Metrocentre Finance 4.125% Senior Bonds 06/12/2023	141	0.31
£230,000	Intu SGS Finance 3.875% Senior European Medium Term Bonds 17/03/2028	222	0.49
£74,000	Intu SGS Finance 4.625% Senior European Medium Term Bonds 17/03/2033	73	0.16
£127,000	Johnson & Johnson 5.5% Bonds 06/11/2024	149	0.33
£193,000	Juturna European Loan Conduit No 16 5.0636% Mortgage-Backed European Medium Term Bonds 10/08/2033	206	0.45
£152,000	Koninklijke KPN 5% Senior European Medium Term Bonds 18/11/2026	153	0.34
£42,000	Koninklijke KPN 5.75% Senior European Medium Term Bonds 17/09/2029	45	0.10
£220,000	Lafarge 10% Senior European Medium Term Bonds 30/05/2017	261	0.57
£17,000	Land Securities Capital Markets 4.875% Mortgage-Backed European Medium Term Bonds 07/11/2019	19	0.04
£220,000	Land Securities Capital Markets 5.125% Mortgage-Backed European Medium Term Bonds 07/02/2036	244	0.54
£17,000	Land Securities Capital Markets 5.391% Mortgage-Backed European Medium Term Bonds 31/03/2027	19	0.04
£161,000	Linde Finance 8.125% Guaranteed Bonds 14/07/2066	183	0.40
£34,000	Lloyds Bank 4.875% Guaranteed European Medium Term Bonds 30/03/2027	37	0.08
£305,000	Lloyds Bank 5.125% Guaranteed European Medium Term Bonds 07/03/2025	338	0.74
£466,000	Lloyds Bank 6% Guaranteed Bonds 08/02/2030	561	1.23
£17,000	Lloyds Bank 6.9625% Subordinated European Medium Term Bonds 29/05/2020	18	0.04
£93,000	Lloyds Bank 7.625% Subordinated European Medium Term Bonds 22/04/2025	109	0.24
£186,000	London Merchant Securities 6.5% Senior Bonds 16/03/2026	210	0.46
£102,000	London Power Networks 5.125% Senior European Medium Term Bonds 31/03/2023	109	0.24
£17,000	London Power Networks 6.125% Senior European Medium Term Bonds 07/06/2027	20	0.04
£113,000	Longstone Finance 4.791% Mortgage-Backed Bonds 19/04/2036	122	0.27
£169,000	Lunar Funding I 6.125% European Medium Term Bonds 09/06/2027	183	0.40
£127,000	Majedie Investments 7.25% Bonds 31/03/2025	144	0.32
£161,000	Marks & Spencer 6.125% Senior European Medium Term Bonds 02/12/2019	178	0.39
£91,000	Meadowhall Finance 4.986% Bonds 12/07/2037	99	0.22
£119,000	Metropolitan Life Global Funding I 3.5% European Medium Term Bonds 30/09/2026	112	0.25
£10,000	Mitchells & Butlers Finance 5.574% Bonds 15/12/2030	11	0.02
£280,000	Mondelez International 7.25% Senior European Medium Term Bonds 18/07/2018	334	0.73
£68,000	Muenchener Rueckversicherungs 6.625% Subordinated European Medium Term Bonds 26/05/2042	77	0.17
£34,000	National Grid Electricity Transmission 4% Senior European Medium Term Bonds 08/06/2027	33	0.07
£17,000	National Grid Electricity Transmission 5.875% Senior Bonds 02/02/2024	20	0.04
£85,000	National Grid Electricity Transmission 6.5% Senior Bonds 27/07/2028	103	0.23
£93,000	National Grid Gas 6.375% Senior European Medium Term Bonds 03/03/2020	109	0.24
£280,000	National Westminster Bank 6.5% Subordinated Bonds 07/09/2021	299	0.66
£123,000	Nats En Route 5.25% Senior Bonds 31/03/2026	134	0.29
£17,000	NIE Finance 6.375% Guaranteed Bonds 02/06/2026	19	0.04

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£42,000	Northern Gas Networks Finance 4.875% Guaranteed Bonds 30/06/2027	44	0.10
£17,000	Northern Gas Networks Finance 5.625% Guaranteed European Medium Term Bonds 23/03/2040	19	0.04
£85,000	Northern Gas Networks Finance 5.875% Guaranteed Bonds 08/07/2019	96	0.21
£42,000	Northumbrian Water Finance 6.875% Guaranteed Bonds 06/02/2023	51	0.11
£30,000	Novae 6.5% Senior Bonds 27/04/2017	29	0.06
£51,000	OneSavings Bank 6.591% Perpetual Subordinated Bonds	39	0.09
£17,000	Peel Land & Property Investments 8.375% Bonds 30/04/2040	19	0.04
£17,000	Peel South East 10% Bonds 30/04/2026	21	0.05
£212,000	Perpetual Income and Growth Investment Trust 6.125% Bonds 08/07/2014	219	0.48
£68,000	Pfizer 6.5% Senior Bonds 03/06/2038	88	0.19
£161,000	Porterbrook Rail Finance 6.5% Senior European Medium Term Bonds 20/10/2020	187	0.41
£220,000	Porterbrook Rail Finance 7.125% Senior European Medium Term Bonds 20/10/2026	274	0.60
£161,000	Priory No 3 7% Senior Bonds 15/02/2018	169	0.37
£51,000	Reseau Ferre de France 5.25% Senior European Medium Term Bonds 31/01/2035	56	0.12
£178,000	RL Finance 6.125% Guaranteed Perpetual Bonds	180	0.40
£42,000	RL Finance No. 2 6.125% Guaranteed Bonds 30/11/2043	42	0.09
£184,000	RMPA Services 5.337% Senior Bonds 30/09/2038	196	0.43
£110,000	Royal Bank of Scotland 5.125% Guaranteed Bonds 13/01/2024	122	0.27
£17,000	Royal Bank of Scotland 9.5% Guaranteed Perpetual Bonds	18	0.04
£508,000	Russian Railways 7.487% Senior Bonds 25/03/2031	551	1.21
£207,000	Scottish Investment Trust 5.75% Bonds 17/04/2030	225	0.49
£127,000	Scottish Widows 5.5% Subordinated Bonds 16/06/2023	127	0.28
£178,000	Scottish Widows 7% Subordinated Bonds 16/06/2043	194	0.43
£34,000	Severn Trent Utilities Finance 3.625% Guaranteed European Medium Term Bonds 16/01/2026	32	0.07
£51,000	Severn Trent Utilities Finance 6% Guaranteed European Medium Term Bonds 22/01/2018	57	0.12
£347,000	Siemens Financieringsmaatschappij 6.125% Guaranteed Bonds 14/09/2066	376	0.83
£102,000	Society of Lloyd's 6.875% Subordinated Bonds 17/11/2025	109	0.24
£110,000	South East Water Finance 5.6577% Senior European Medium Term Bonds 30/09/2019	121	0.27
£161,000	South Eastern Power Networks 5.625% Senior European Medium Term Bonds 30/09/2030	179	0.39
£119,000	South Eastern Power Networks 6.375% Senior European Medium Term Bonds 12/11/2031	143	0.31
£152,000	Southern Gas Networks 4.875% Senior European Medium Term Bonds 05/10/2023	162	0.36
£85,000	Southern Gas Networks 5.125% Senior European Medium Term Bonds 02/11/2018	93	0.20
£195,000	Southern Water Services Finance 5% Senior European Medium Term Bonds 31/03/2021	209	0.46
£25,000	Southern Water Services Finance 6.125% Senior European Medium Term Bonds 31/03/2019	29	0.06
£199,000	SP Manweb 4.875% Senior European Medium Term Bonds 20/09/2027	201	0.44
£271,000	SPD Finance UK 5.875% Guaranteed Bonds 17/07/2026	300	0.66
£110,000	SPI Australia Assets Pty 5.125% Guaranteed European Medium Term Bonds 11/02/2021	119	0.26
£136,000	SPI Electricity & Gas Australia Pty 7.125% Guaranteed European Medium Term Bonds 26/06/2018	159	0.35
£17,000	Standard Life 6.546% Guaranteed Perpetual Bonds	18	0.04
£229,000	Swiss Reinsurance via ELM 6.3024% Perpetual Subordinated European Medium Term Bonds	248	0.54
£144,000	Telecom Italia 6.375% Senior European Medium Term Bonds 24/06/2019	150	0.33
£93,000	Telefonica Emisiones 5.289% Guaranteed European Medium Term Bonds 09/12/2022	96	0.21
£119,000	Telefonica Emisiones 5.597% Guaranteed European Medium Term Bonds 12/03/2020	127	0.28
£81,000	Telereal Securitisation 5.3887% Bonds 10/12/2033	90	0.20
£97,000	Telereal Securitisation 5.5534% Bonds 10/12/2033	110	0.24
£136,000	Temple Bar Investment Trust 5.5% Senior Bonds 08/03/2021	145	0.32
£161,000	Tesco 6.125% Senior European Medium Term Bonds 24/02/2022	182	0.40
£16,000	Tesco Property Finance 1 7.6227% Mortgage-Backed Bonds 13/07/2039	21	0.05
£330,000	Tesco Property Finance 2 6.0517% Mortgage-Backed Bonds 13/10/2039	369	0.81
£428,000	Tesco Property Finance 3 5.744% Mortgage-Backed Bonds 13/04/2040	460	1.01
£194,000	Tesco Property Finance 5 5.6611% Mortgage-Backed Bonds 13/10/2041	204	0.45
£102,000	Thames Water Utilities Cayman Finance 7.241% Senior European Medium Term Bonds 09/04/2058	118	0.26
£68,000	Time Warner Cable 5.25% Guaranteed Bonds 15/07/2042	54	0.12

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bond (continued)			
£102,000	Time Warner Cable 5.75% Guaranteed Bonds 02/06/2031	90	0.20
£84,000	Trafford Centre Finance 6.5% Bonds 28/07/2033	102	0.22
£53,000	Tyseley Finance 6.675% Bonds 30/07/2018	60	0.13
£114,000	Unique Pub Finance Co 5.659% Bonds 30/06/2027	111	0.24
£161,000	UNITE USAF II 3.374% Senior Bonds 30/06/2028	151	0.33
£17,000	United Utilities Water 5.375% Senior European Medium Term Bonds 14/05/2018	19	0.04
£262,000	UPP 1 Issuer 4.9023% Senior European Medium Term Bonds 28/02/2040	260	0.57
£161,000	Virgin Media Secured Finance 7% Senior Bonds 15/01/2018	167	0.37
£85,000	Wales & West Utilities Finance 4.625% Senior European Medium Term Bonds 13/12/2023	89	0.20
£76,000	Wales & West Utilities Finance 5% Senior European Medium Term Bonds 07/03/2028	80	0.18
£161,000	Wales & West Utilities Finance 6.25% Senior Bonds 30/11/2021	189	0.41
£296,000	Wellcome Trust Finance 4.75% Guaranteed Bonds 28/05/2021	326	0.72
£102,000	Wells Fargo & 3.5% Senior European Medium Term Bonds 12/09/2029	92	0.20
£25,000	Western Power Distribution East Midlands 5.25% Senior European Medium Term Bonds 17/01/2023	28	0.06
£169,000	Western Power Distribution South Wales 5.75% Senior Bonds 23/03/2040	194	0.43
£85,000	Western Power Distribution West Midlands 3.875% Senior European Medium Term Bonds 17/10/2024	82	0.18
£76,000	Yorkshire Water Services Bradford Finance 6.375% Senior Bonds 19/08/2039	96	0.21
£68,000	Yorkshire Water Services Odsal Finance 6.454% Senior Bonds 28/05/2027	82	0.18
		32,941	72.34
Sterling Denominated Variable Rate Corporate Bond 1.45%			
£17,000	DECO MHILL Floating Rate Bonds 28/07/2016	17	0.04
£169,000	First Active 3.05163% Subordinated Floating Rate European Medium Term Bonds 04/04/2018	157	0.34
£9,000	Marstons Issuer 1.8945% Floating Rate Bonds 15/07/2020	9	0.02
£102,000	Santander Issuances 7.3% Guaranteed Bonds 27/07/2019	104	0.23
£254,000	Skipton Building Society 1.54438% Subordinated Floating Rate European Medium Term Bonds 18/01/2018	203	0.44
£169,000	Southern Water Services Finance 7.869% European Medium Term Bonds 31/03/2038	172	0.38
		662	1.45
Sterling Denominated Government Bond 8.63%			
Sterling Denominated Fixed Rate Government Bond 8.63%			
£68,000	United Kingdom Gilt 1.75% Bonds 22/01/2017	69	0.15
£364,000	United Kingdom Gilt 2.25% Bonds 07/09/2023	341	0.75
£178,000	United Kingdom Gilt 3.5% Perpetual Bonds	142	0.31
£381,000	United Kingdom Gilt 3.75% Bonds 07/09/2021	411	0.90
£381,000	United Kingdom Gilt 4% Bonds 07/03/2022	417	0.92
£241,000	United Kingdom Gilt 4.25% Bonds 07/03/2036	265	0.58
£508,000	United Kingdom Gilt 4.25% Bonds 07/06/2032	559	1.23
£178,000	United Kingdom Gilt 4.25% Bonds 07/12/2046	199	0.44
£144,000	United Kingdom Gilt 4.25% Bonds 07/12/2055	165	0.36
£144,000	United Kingdom Gilt 4.5% Bonds 07/03/2019	161	0.35
£148,000	United Kingdom Gilt 4.5% Bonds 07/09/2034	168	0.37
£271,000	United Kingdom Gilt 4.5% Bonds 07/12/2042	314	0.69
£551,000	United Kingdom Gilt 6% Bonds 07/12/2028	717	1.58
		3,928	8.63
Sterling Denominated Derivatives 0.20%			
Sterling Denominated Open Forward Exchange Contracts 0.29%			
£4,424,575	Sterling v US Dollar Forward Exchange Contract	122	0.27
£2,451,639	Sterling v Euro Forward Exchange Contract	11	0.02
£280,889	Sterling v Euro Forward Exchange Contract	-	-
		133	0.29

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling Futures Contracts (0.09)%		
22	Long Gilt March 2014 Future Contract	(42)	(0.09)
	Europe 5.49%		
	Euro Denominated Corporate Bond 5.44%		
	Euro Denominated Fixed Rate Corporate Bond 5.35%		
€17,000	ABN AMRO Bank 6.375% Subordinated European Medium Term Bonds 27/04/2021	16	0.04
€68,000	Air Liquide Finance 2.125% Guaranteed European Medium Term Bonds 15/10/2021	56	0.12
€85,000	Assicurazioni Generali 10.125% Subordinated European Medium Term Bonds 10/07/2042	91	0.20
€17,000	Assicurazioni Generali 7.75% 12/12/2042	16	0.04
€25,000	AT&T 3.55% Senior Bonds 17/12/2032	20	0.04
€25,000	AXA 5.25% Subordinated European Medium Term Bonds 16/04/2040	23	0.05
€222,000	Barclays Bank 4.75% Perpetual Subordinated European Medium Term Bonds	157	0.34
€127,000	Bharti Airtel International Netherlands 4% Guaranteed Bonds 10/12/2018	106	0.23
€102,000	BPCE 4.75% Perpetual Subordinated Bonds	81	0.18
€195,000	Coca-Cola HBC Finance 2.375% Guaranteed European Medium Term Bonds 18/06/2020	161	0.35
€93,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank 6.875% Senior European Medium Term Bonds 19/03/2020	88	0.19
€119,000	Credit Suisse 5.75% Subordinated Bonds 18/09/2025	106	0.23
€72,000	Enel Finance International 4.875% Guaranteed European Medium Term Bonds 17/04/2023	66	0.14
€85,000	Enel Finance International 5.75% Guaranteed European Medium Term Bonds 24/10/2018	81	0.18
€68,000	Eutelsat 5% Senior Bonds 14/01/2019	63	0.14
€17,000	Gas Natural Capital Markets 5% Guaranteed European Medium Term Bonds 13/02/2018	16	0.04
€68,000	Gas Natural Capital Markets 6% Guaranteed European Medium Term Bonds 27/01/2020	67	0.15
€34,000	Gas Natural Fenosa Finance 3.875% Guaranteed European Medium Term Bonds 17/01/2023	30	0.07
€17,000	HBOS 4.5% Subordinated European Medium Term Bonds 18/03/2030	13	0.03
€76,000	Imperial Tobacco Finance 4.5% Guaranteed European Medium Term Bonds 05/07/2018	70	0.15
€17,000	Imperial Tobacco Finance 5% Guaranteed European Medium Term Bonds 02/12/2019	16	0.04
€85,000	Intesa Sanpaolo 8.047% Perpetual Subordinated Bonds	74	0.16
€93,000	Linde Finance 7.375% Guaranteed Bonds 14/07/2066	88	0.19
€161,000	Mondelez International 2.375% Senior Bonds 26/01/2021	132	0.29
€17,000	NASDAQ OMX Inc 3.875% Senior Bonds 07/06/2021	15	0.03
€25,000	Pfizer 5.75% Senior Bonds 03/06/2021	26	0.06
€17,000	Philip Morris International 2.75% Senior Bonds 19/03/2025	14	0.03
€68,000	Sanofi 2.5% Senior European Medium Term Bonds 14/11/2023	56	0.12
€85,000	Smurfit Kappa Acquisitions 7.75% Senior Bonds 15/11/2019	77	0.17
€93,000	Snam 5.25% Senior European Medium Term Bonds 19/09/2022	90	0.20
€68,000	Suez Environnement 4.82% Perpetual Subordinated Bonds	58	0.13
€93,000	Telekom Finanzmanagement 3.125% Guaranteed European Medium Term Bonds 03/12/2021	78	0.17
€178,000	Telenor 2.5% Senior European Medium Term Bonds 22/05/2025	140	0.31
€169,000	UPCB Finance 7.625% Senior Bonds 15/01/2020	153	0.34
€102,000	Veolia Environnement 4.625% Senior European Medium Term Bonds 30/03/2027	92	0.20
		2,436	5.35
	Euro Denominated Variable Rate Corporate Bond 0.09%		
€17,000	Society of Lloyd's 5.625% Subordinated Bonds 17/11/2024	14	0.03
€34,000	Channel Link Enterprises Finance 3.643% Floating Rate Bonds 30/06/2050	27	0.06
		41	0.09

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Euro Denominated Derivatives 0.05%		
	Euro Denominated Open Forward Exchange Contracts 0.00%		
€108,264	Euro v Sterling Forward Exchange Contract	-	-
€140,455	Euro v Sterling Forward Exchange Contract	(1)	-
		(1)	-
	Euro Denominated Futures Contracts 0.05%		
(0)	Euro BUXL 30yr Bond March 2014 Futures Contract	1	-
(13)	Euro-Bund March 2014 Futures Contract	23	0.05
		24	0.05
	North America 9.15%		
	US Dollar Denominated Corporate Bond 8.83%		
	US Dollar Denominated Fixed Rate Corporate Bond 8.81%		
\$85,000	21st Century Fox America 5.4% Guaranteed Bonds 01/10/2043	52	0.11
\$102,000	AbbVie 2.9% Senior Bonds 06/11/2022	57	0.13
\$152,000	Altria 10.2% Guaranteed Bonds 06/02/2039	144	0.32
\$110,000	Altria 2.85% Guaranteed Bonds 09/08/2022	61	0.13
\$34,000	Altria 4% Guaranteed Bonds 31/01/2024	20	0.04
\$85,000	Altria 5.375% Guaranteed Bonds 31/01/2044	52	0.11
\$119,000	Barclays Bank 7.75% Subordinated Bonds 10/04/2023	78	0.17
\$17,000	BAT International Finance 3.25% Guaranteed Bonds 07/06/2022	10	0.02
\$195,000	British Telecommunications 9.625% Senior Bonds 15/12/2030	176	0.39
\$76,000	Centrica 4% Senior Bonds 16/10/2023	45	0.10
\$42,000	Centrica 5.375% Senior Bonds 16/10/2043	26	0.06
\$25,000	Coca-Cola Co 3.2% Senior Bonds 01/11/2023	15	0.03
\$102,000	ConAgra Foods 3.2% Senior Bonds 25/01/2023	57	0.13
\$25,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank BANetherlands 11% Perpetual Subordinated Bonds	20	0.04
\$17,000	COX Communications 3.25% Senior Bonds 15/12/2022	9	0.02
\$93,000	Credit Agricole 8.125% Subordinated Bonds 19/09/2033	62	0.14
\$195,000	Credit Suisse Guernsey I 7.875% Guaranteed Bonds 24/02/2041	128	0.28
\$68,000	Credit Suisse 6.5% Subordinated Bonds 08/08/2023	44	0.10
\$17,000	Deutsche Annington Finance 3.2% Guaranteed Bonds 02/10/2017	10	0.02
\$271,000	DIRECTV 3.8% Guaranteed Bonds 15/03/2022	157	0.35
\$102,000	Electricite de France 5.25% Perpetual Subordinated Bonds	61	0.13
\$59,000	Friends Life 7.875% Guaranteed Perpetual Bonds	39	0.09
\$76,000	General Electric 4.125% Senior Bonds 09/10/2042	43	0.09
\$305,000	Glencore Funding 4.125% Guaranteed Bonds 30/05/2023	173	0.38
\$85,000	Goldcorp 2% Senior Bonds 01/08/2014	51	0.11
\$161,000	Imperial Tobacco Finance 3.5% Guaranteed Bonds 11/02/2023	91	0.20
\$110,000	Kraft Foods 3.5% Senior Bonds 06/06/2022	65	0.14
\$17,000	LBG Capital No.1 8% Guaranteed Perpetual European Medium Term Bonds	11	0.02
\$119,000	Lorillard Tobacco 3.75% Guaranteed Bonds 20/05/2023	65	0.14
\$93,000	Merck 3.6% Senior Bonds 15/09/2042	47	0.10
\$102,000	Merck 4.15% Senior Bonds 18/05/2043	56	0.12
\$322,000	Microsoft 2.375% Senior Bonds 01/05/2023	176	0.39
\$110,000	Newmont Mining 1.25% Guaranteed Bonds 15/07/2014	67	0.15
\$169,000	Nord Anglia Education UK 10.25% Senior Bonds 01/04/2017	113	0.25
\$17,000	PepsiCo 2.25% Senior Bonds 07/01/2019	10	0.02
\$102,000	Pfizer 3% Senior Bonds 15/06/2023	58	0.13
\$17,000	Pfizer 4.3% Senior Bonds 15/06/2043	10	0.02
\$17,000	Philip Morris International 2.9% Senior Bonds 15/11/2021	10	0.02

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
US Dollar Denominated Fixed Rate Corporate Bond (continued)			
\$59,000	Reynolds American 4.85% Guaranteed Bonds 15/09/2023	37	0.08
\$34,000	Reynolds American 6.15% Guaranteed Bonds 15/09/2043	22	0.05
\$42,000	Rosneft Oil 4.199% Senior Bonds 06/03/2022	24	0.05
\$296,000	Statoil 3.95% Guaranteed Bonds 15/05/2043	157	0.35
\$203,000	Swire Pacific MTN Financing 4.5% Guaranteed European Medium Term Bonds 09/10/2023	123	0.27
\$271,000	Time Warner Cable 5.875% Guaranteed Bonds 15/11/2040	142	0.31
\$254,000	UBS 7.625% Subordinated Bonds 17/08/2022	177	0.39
\$25,000	UPCB Finance III 6.625% Senior Bonds 01/07/2020	16	0.04
\$25,000	UPCB Finance V 7.25% Senior Bonds 15/11/2021	17	0.04
\$542,000	Verizon Communications 5.15% Senior Bonds 15/09/2023	353	0.78
\$712,000	Verizon Communications 6.55% Senior Bonds 15/09/2043	505	1.11
\$110,000	Viacom 4.25% Senior Bonds 01/09/2023	67	0.15
		4,009	8.81
US Dollar Denominated Variable Rate Corporate Bond 0.02%			
\$17,000	Industry & Construction Bank St Petersburg 5.01% Subordinated Bonds 29/09/2015	10	0.02
US Dollar Denominated Government Bond 0.31%			
US Dollar Denominated Fixed Rate Government Bond 0.31%			
\$237,000	US Treasury 1.25% Bonds 30/11/2018	141	0.31
US Dollar Denominated Derivatives 0.01%			
US Dollar Denominated Open Forward Exchange Contracts (0.01)%			
96,404	US Dollar v Sterling Forward Exchange Contract	(1)	-
175,527	US Dollar v Sterling Forward Exchange Contract	(3)	(0.01)
		(4)	(0.01)
US Dollar Denominated Futures Contracts 0.02%			
(2)	US 10yr Note March 2014 Futures Contract	3	0.01
(2)	US 5yr Note March 2014 Futures Contract	2	-
(3)	US Ultra Bond (CBT) March 2014 Futures Contract	3	0.01
		8	0.02
Investment assets*		44,286	97.26
Net other assets		1,248	2.74
Total net assets		45,534	100.00

The sub-fund launched on 14 November 2013, therefore no comparatives are included.

* Including investment liabilities

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the period from 14 November 2013 to 31 December 2013

	Notes	14.11.13 to 31.12.13 £'000	14.11.13 to 31.12.13 £'000
Income			
Net capital losses	2		(792)
Revenue	3	293	
Expenses	4	(66)	
Finance costs: Interest	6	-	
Net revenue before taxation		227	
Taxation	5	-	
Net revenue after taxation			227
Total return before distributions			(565)
Finance costs: Distributions	6		(227)
Change in net assets attributable to shareholders from investment activities			(792)

Statement of change in net assets attributable to shareholders

for the period from 14 November 2013 to 31 December 2013

	14.11.13 to 31.12.13 £'000	14.11.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	49,223	
Amounts paid on cancellation of shares	(2,897)	
		46,326
Change in net assets attributable to shareholders from investment activities		(792)
Closing net assets attributable to shareholders		45,534

The sub-fund launched on 14 November 2013. Therefore there are no comparatives.
The notes on pages 151 to 156 form an integral part of these statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			44,333
Debtors	7	822	
Cash and bank balances	8	1,202	
Total other assets			2,024
Total assets			46,357
Liabilities			
Investment liabilities			(47)
Creditors	9	(248)	
Bank overdrafts		(351)	
Distribution payable on income shares		(177)	
Total other liabilities			(776)
Total liabilities			(823)
Net assets attributable to shareholders			45,534

The sub-fund launched on 14 November 2013. Therefore there are no comparatives.
The notes on pages 151 to 156 form an integral part of these statements.

Notes to the financial statements

for the period from 14 November 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Fidelity Moneybuilder Income Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net losses on investments comprise:

Losses on non-derivatives securities

Gains on currency contracts

Gains on forward currency contracts

Gains on derivative securities

Net capital losses on investments

14.11.13 to

31.12.13

£'000

(1,011)

4

154

61

(792)

3 Revenue

Interest from overseas debt securities

Interest from UK debt securities

Total revenue

14.11.13 to

31.12.13

£'000

102

191

293

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

49

49

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

1

1

Other expenses:

Administration fees

5

Audit fees

11

16

Total expenses

66

* The Audit fee for the period, excluding VAT, was £9,300.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	14.11.13 to 31.12.13 £'000
Overseas tax suffered	-
Total current tax charge for the period (see note 5(b))	-
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	-

b) Factors affecting current tax charge for the period

	14.11.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	227
Corporation tax at 20%	45
Effects of:	
Tax deductible interest distributions	(45)
Total current tax charge for the period (see note 5(a))	-

OEIC's are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	14.11.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

As at 31 December 2013 the sub-fund had no surplus management expenses.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	14.11.13 to 31.12.13 £'000
Final (31 December)	222
Revenue deducted on cancellation of shares	222
Revenue received on issue of shares	-
Finance costs: Distributions	227
Finance costs: Interest	-
Total finance costs	227

Details of the final distribution per share are set out in the table on page 157.

7 Debtors

	31.12.13 £'000
Accrued revenue	822
Total debtors	822

8 Cash and bank balances

	31.12.13 £'000
Amounts held at futures clearing houses and brokers	43
Cash and bank balances	1,159
Total cash and bank balances	1,202

Notes to the financial statements (continued)

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	49
Accrued Depositary's fees	1
Accrued expenses	17
Amounts payable for cancellation of shares	136
Income tax payable	45
Total creditors	248

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 149. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and floating rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Euro	(221)	42	(179)
US Dollar	(129)	77	(52)
Total	(350)	119	(231)

* for the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Euro	41	2,436	287	2,764
Sterling	1,863	36,869	7,876	46,608
US Dollar	11	4,150	220	4,381
Total	1,915	43,455	8,383	53,753

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Euro	(221)	(2,722)	(2,943)
Sterling	-	(843)	(843)
US Dollar	(130)	(4,303)	(4,433)
Total	(351)	(7,868)	(8,219)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Euro	4.96%	11.04 years
Euro Fixed Perpetual	5.42%	-
Euro Variable	4.33%	27.59 years
Sterling	5.78%	14.95 years
Sterling Fixed Perpetual	6.05%	-
Sterling Variable	4.49%	9.71 years
US Dollar	5.35%	15.79 years
US Dollar Fixed Perpetual	7.15%	-
US Dollar Variable	5.01%	1.75 years

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated was 85.72% (Source: Old Mutual Global Investors Limited/Factsheet)

Analysis of bonds	£'000	%
Investment Grade	39,039	85.72
Below Investment Grade	2,434	5.36
Unrated	2,695	5.92
	44,168	97.00

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Fidelity Moneybuilder Income Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Fidelity Moneybuilder Income Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 6.27% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 5.93%, 6.10% and 6.27%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 23.50%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for the current period.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Fidelity Moneybuilder Income Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 139.

Distribution table

Final distribution

Group 1: Shares purchased on 14 November 2013
 Group 2 : Shares purchased from 15 November 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Income 'A' Shares					
Group 1	0.4770	0.0954	0.3816	0.0000	0.3816
Group 2	0.3468	0.0694	0.2774	0.1042	0.3816

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

Old Mutual Fidelity Strategic Bond Fund

Launch date	30 April 2013
Sector classification	Specialist
Investment adviser	FIL Pensions Management
Net asset value	£25,706,064

Objective and policy

The sub-fund aims to achieve income with the possibility of capital growth from a portfolio primarily invested in sterling denominated (or hedged back to sterling) fixed interest securities. Derivatives and forward transactions may also be used for investment purposes.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100.00p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Income 'A'	£25,706,064	26,733,837	96.16

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Income 'A'	100.00p	94.16p

* The sub-fund launched on 30 April 2013.

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2013*	
Income 'A'	1.3354p
2014**	
Income 'A'	0.1965p

* from 30 April 2013

** to ex-dividend date of 31 December 2013 (paid on 31 January 2014)

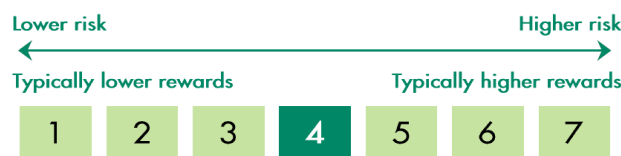
Investment Manager's review

The sub-fund was launched in April 2013 and between launch and year-end it advanced in absolute terms, benefiting from tightening credit spreads. It delivered positive returns, outperforming Gilts and investment grade corporate bonds, but lagged high yield corporate bonds. The overall credit exposure, particularly the bias towards BBB and BB rated corporate bonds, buoyed returns. Contributors included Tesco, Infnis and Firstgroup. The extra coupon income resulting from this strategy also enhanced gains. Financials outperformed non-financial bonds as improved economic data increased demand for more cyclical sectors. Against this backdrop, positions in issuers such as Lloyds Banking Group and Barclays, added value. Conversely, the interest rate risk exposure proved detrimental to returns as core sovereign bond yields rose.

Old Mutual Fidelity Strategic Bond Fund

Risk and Reward Profile

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Investment risk – there is no guarantee that the sub-fund will achieve its objective.

Credit risk – the issuer of a bond or similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk – investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk – some investments may become hard to value or sell at a determined time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk – the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk – the sub-fund may use derivatives to generate returns as well as to reduce costs and/or the overall risk of the sub-fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk – the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United Kingdom	55.54%
Europe	19.90%
North America	16.06%
Asia Pacific (excluding Japan)	3.15%
Derivatives	0.92%

Net other assets	4.43%
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Total	100.00%
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Asset allocation

Sterling Denominated Debt Securities	63.79%
Euro Denominated Debt Securities	15.26%
US Dollar Denominated Debt Securities	12.65%
Australian Dollar Denominated Debt Securities	2.62%
Mexican Peso Denominated Debt Securities	0.33%
Derivatives	0.92%

Net other assets	4.43%
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Total	100.00%
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Major holdings

	Percentage of portfolio
United Kingdom Gilt 3.5% Perpetual Bonds	2.17%
US Treasury Inflation Indexed Bonds 0.75% 15/02/2042	2.16%
Heathrow Funding 3.334% Senior	
European Medium Term Bonds 09/12/2039	2.13%
Enterprise Inns 6.375% Bonds 26/09/2031	1.54%
Australia Government 3.25% Bonds 21/04/2029	1.42%
GlaxoSmithKline Capital 3.375% Guaranteed European Medium Term Bonds 20/12/2027	1.24%
UPCB Finance 6.375% Senior Bonds 01/07/2020	1.21%
Australia Government 3% Bonds 20/09/2025	1.20%
Russian Railways 7.487% Senior Bonds 25/03/2031	1.05%
Infinis 7% Senior European Medium Term Bonds 15/02/2019	1.04%

Number of holdings	183
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Ongoing charges figure (OCF)*

31.12.13 Income 'A'***	1.18%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Sterling 64.68%		
	Sterling Denominated Corporate Bonds 61.09%		
	Sterling Denominated Fixed Rate Corporate Bonds 60.70%		
£250,000	AA 4.7201% Senior European Medium Term Bonds 02/07/2043	259	1.01
£200,000	Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/04/2022	223	0.87
£150,000	Abbey National Treasury Services 5.25% Guaranteed European Medium Term Bonds 16/02/2030	168	0.65
£100,000	Abbey National Treasury Services 5.75% Guaranteed European Medium Term Bonds 02/03/2027	117	0.46
£100,000	ABP Finance 6.25% Senior European Medium Term Bonds 14/12/2026	113	0.44
£100,000	Anglian Water Services Financing 4.5% Senior European Medium Term Bonds 05/10/2027	101	0.39
£100,000	Arqiva Financing 4.882% Senior European Medium Term Bonds 31/12/2032	99	0.39
£100,000	Arrow Global Finance 7.875% European Medium Term Bonds 01/03/2020	106	0.41
£200,000	Aspire Defence Finance 4.674% European Medium Term Bonds 31/03/2040	197	0.77
£150,000	Assicurazioni Generali 6.269% Perpetual Subordinated Bonds	136	0.53
£100,000	Assicurazioni Generali 6.416% Perpetual Subordinated Bonds	93	0.36
£250,000	Aviva 6.125% Perpetual Subordinated Bonds	257	1.00
£100,000	Aviva 6.625% Perpetual Subordinated Bonds	109	0.42
£100,000	AWG Parent 6.875% Guaranteed Bonds 21/08/2023	122	0.47
£100,000	Bakkavor Finance 8.25% Senior European Medium Term Bonds 15/02/2018	107	0.42
£150,000	Barclays Bank 4.25% Guaranteed European Medium Term Bonds 12/01/2022	159	0.62
£50,000	Barclays Bank 6% Perpetual Subordinated Bonds 29/06/2049	47	0.18
£50,000	Barclays Bank 6% Perpetual Subordinated Bonds 29/07/2049	45	0.18
£50,000	BAT International Finance 6% Guaranteed European Medium Term Bonds 24/11/2034	60	0.23
£100,000	BAT International Finance 6.375% Guaranteed European Medium Term Bonds 12/12/2019	118	0.46
£150,000	BNP Paribas 5.945% Perpetual Subordinated Bonds	154	0.60
£100,000	Cabot Financial Luxembourg 10.375% Senior European Medium Term Bonds 01/10/2019	115	0.45
£50,000	Cellco Partnership/Verizon Wireless Capital 8.875% Senior Bonds 18/12/2018	64	0.25
£100,000	Centrica 4.25% Senior European Medium Term Bonds 12/09/2044	92	0.36
£100,000	Centrica 4.375% Senior European Medium Term Bonds 13/03/2029	98	0.38
£100,000	Centrica 6.4% Senior European Medium Term Bonds 04/09/2026	117	0.46
£200,000	Clydesdale Bank 4.625% Guaranteed European Medium Term Bonds 08/06/2026	208	0.81
£100,000	Comcast 5.5% Guaranteed Bonds 23/11/2029	109	0.42
£150,000	Commonwealth Bank of Australia 3% Guaranteed European Medium Term Bonds 04/09/2026	135	0.53
£100,000	Co-Operatieve Centrale Raiffeisen-Boerenleenbank 5.25% Subordinated European Medium Term Bonds 14/09/2027	101	0.39
£200,000	Co-Operative Bank 4.75% Guaranteed Bonds 11/11/2021	209	0.81
£250,000	CPUK Finance 4.811% Senior European Medium Term Bonds 28/02/2042	265	1.03
£200,000	CPUK Finance 11.625% Senior European Medium Term Bonds 28/02/2042	229	0.89
£100,000	Daily Mail & General Trust 6.375% Senior Bonds 21/06/2027	106	0.41
£200,000	Deutsche Telekom International Finance 6.5% Guaranteed European Medium Term Bonds 08/04/2022	234	0.91
£98,928	Dignity Finance 6.31% Bonds 31/12/2023	115	0.45
£100,000	Direct Line Insurance 9.25% Guaranteed Bonds 27/04/2042	123	0.48
£200,000	DIRECTV 4.375% Guaranteed Bonds 14/09/2029	181	0.70
£200,000	Electricite de France 5.5% Senior European Medium Term Bonds 17/10/2041	220	0.86
£100,000	Electricite de France 6% Perpetual Subordinated European Medium Term Bonds	104	0.40
£100,000	Electricite de France 6.25% Senior European Medium Term Bonds 30/05/2028	116	0.45
£450,000	Enterprise Inns 6.375% Bonds 26/09/2031	395	1.54
£150,000	Enterprise Inns 6.5% Bonds 06/12/2018	155	0.60
£100,000	Enterprise Inns 6.875% Bonds 09/05/2025	96	0.37

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£100,000	Eversholt Funding 6.359% Senior European Medium Term Bonds 02/12/2025	116	0.45
£250,000	Firstgroup 5.25% Guaranteed Bonds 29/11/2022	254	0.99
£100,000	Firstgroup 6.125% Guaranteed Bonds 18/01/2019	107	0.42
£50,000	Firstgroup 6.875% Guaranteed Bonds 18/09/2024	56	0.22
£200,000	Gatwick Funding 5.25% Senior European Medium Term Bonds 23/01/2026	214	0.83
£100,000	Gatwick Funding 5.75% Senior European Medium Term Bonds 23/01/2039	111	0.43
£100,000	Gatwick Funding 6.125% Senior European Medium Term Bonds 02/03/2028	114	0.44
£350,000	GlaxoSmithKline Capital 3.375% Guaranteed European Medium Term Bonds 20/12/2027	318	1.24
£100,000	Glencore Finance Europe 6% Guaranteed Bonds 03/04/2022	110	0.43
£150,000	Great Rolling Stock 6.25% Senior European Medium Term Bonds 27/07/2020	171	0.67
£147,030	Great Rolling Stock 6.875% Senior European Medium Term Bonds 27/07/2035	175	0.68
£350,000	Heathrow Funding 3.334% Senior European Medium Term Bonds 09/12/2039	547	2.13
£100,000	House of Fraser Funding 8.875% Senior European Medium Term Bonds 15/08/2018	109	0.42
£250,000	HSBC Capital Funding Sterling 5.844% Guaranteed Perpetual Bonds	254	0.99
£100,000	Imperial Tobacco Finance 6.25% Guaranteed European Medium Term Bonds 04/12/2018	114	0.44
£50,000	Imperial Tobacco Finance 9% Guaranteed European Medium Term Bonds 17/02/2022	66	0.26
£250,000	Infinis 7% Senior European Medium Term Bonds 15/02/2019	267	1.04
£200,000	Intu SGS Finance 3.875% Senior European Medium Term Bonds 17/03/2028	193	0.75
£100,000	Intu SGS Finance 4.625% Senior European Medium Term Bonds 17/03/2033	99	0.39
£100,000	Lafarge 10% Senior European Medium Term Bonds 30/05/2017	119	0.46
£100,000	LBG Capital No.2 8.5% Guaranteed Bonds 07/06/2032	107	0.42
£150,000	Lloyds Bank 4.875% Guaranteed European Medium Term Bonds 30/03/2027	162	0.63
£150,000	Lloyds Bank 5.125% Guaranteed European Medium Term Bonds 07/03/2025	166	0.65
£100,000	Lloyds Bank 6% Guaranteed Bonds 08/02/2030	120	0.47
£89,773	Meadowhall Finance 4.986% Bonds 12/07/2037	98	0.38
£100,000	Metropolitan Life Global Funding I 3.5% European Medium Term Bonds 30/09/2026	95	0.37
£200,000	Mondelez International 7.25% Senior European Medium Term Bonds 18/07/2018	239	0.93
£150,000	National Grid Electricity Transmission 6.5% Senior Bonds 27/07/2028	183	0.71
£150,000	National Grid Gas 6.375% Senior European Medium Term Bonds 03/03/2020	176	0.68
£100,000	Northumbrian Water Finance 6.875% Guaranteed Bonds 06/02/2023	121	0.47
£100,000	Phones4u Finance 9.5% Senior European Medium Term Bonds 01/04/2018	106	0.41
£100,000	Porterbrook Rail Finance 5.5% Senior European Medium Term Bonds 20/04/2019	110	0.43
£100,000	Porterbrook Rail Finance 6.5% Senior European Medium Term Bonds 20/10/2020	116	0.45
£100,000	Priory No 3 7% Senior Bonds 15/02/2018	105	0.41
£100,000	RL Finance 6.125% Guaranteed Perpetual Bonds	101	0.39
£100,000	Royal Bank of Scotland 5.125% Guaranteed Bonds 13/01/2024	111	0.43
£250,000	Russian Railways 7.487% Senior Bonds 25/03/2031	271	1.05
£100,000	Scottish Widows 5.5% Subordinated Bonds 16/06/2023	100	0.39
£150,000	Scottish Widows 7% Subordinated Bonds 16/06/2043	164	0.64
£100,000	Severn Trent Utilities Finance 6% Guaranteed European Medium Term Bonds 22/01/2018	113	0.44
£100,000	Severn Trent Utilities Finance 6.25% Guaranteed European Medium Term Bonds 07/06/2029	120	0.47
£100,000	Siemens Financieringsmaatschappij 6.125% Guaranteed Bonds 14/09/2066	108	0.42
£100,000	Societe Generale SA 8.875% Perpetual Subordinated Bonds	110	0.43
£100,000	South Eastern Power Networks 5.625% Senior European Medium Term Bonds 30/09/2030	111	0.43
£100,000	Southern Gas Networks 4.875% Senior European Medium Term Bonds 05/10/2023	106	0.41
£150,000	Southern Water Services Finance 6.125% Senior European Medium Term Bonds 31/03/2019	171	0.67
£150,000	SP Manweb 4.875% Senior European Medium Term Bonds 20/09/2027	152	0.59
£200,000	SPD Finance UK 5.875% Guaranteed Bonds 17/07/2026	221	0.86
£100,000	Telecom Italia SpA 5.875% Senior European Medium Term Bonds 19/05/2023	96	0.37
£50,000	Telecom Italia 6.375% Senior European Medium Term Bonds 24/06/2019	52	0.20
£79,828	Telereal Securitisation 5.3887% Bonds 10/12/2033	89	0.35

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Fixed Rate Corporate Bonds (continued)			
£100,000	Thames Water Utilities Cayman Finance 7.241% Senior European Medium Term Bonds 09/04/2058	116	0.45
£96,471	Unique Pub Finance Co 5.659% Bonds 30/06/2027	94	0.37
£100,000	UNITE USAF II 3.374% Senior Bonds 30/06/2028	94	0.37
£100,000	United Utilities Water 5.375% Senior European Medium Term Bonds 14/05/2018	111	0.43
£199,537	UPP 1 Issuer 4.9023% Senior European Medium Term Bonds 28/02/2040	198	0.77
£100,000	Virgin Media Secured Finance 7% Senior Bonds 15/01/2018	104	0.40
£100,000	Voyage Care Bondco 6.5% Guaranteed European Medium Term Bonds 01/08/2018	103	0.40
£100,000	Wales & West Utilities Finance 6.25% Senior Bonds 30/11/2021	117	0.45
£100,000	Wells Fargo 3.5% Senior European Medium Term Bonds 12/09/2029	91	0.35
£100,000	Western Power Distribution East Midlands 5.25% Senior European Medium Term Bonds 17/01/2023	109	0.42
		15,604	60.70
Sterling Denominated Variable Rate Corporate Bonds 0.39%			
£100,000	DECO MHILL Floating Rate Bonds 28/07/2016	100	0.39
Sterling Denominated Government Bonds 2.70%			
£700,000	United Kingdom Gilt 3.5% Perpetual Bonds	557	2.17
£125,000	United Kingdom Gilt 4.25% Bonds 07/06/2032	137	0.53
		694	2.70
Sterling Denominated Derivatives 0.89%			
Sterling Denominated Open Forward Exchange Contracts 0.70%			
£3,425,975	Sterling v US Dollar Forward Exchange Contract	94	0.37
£693,630	Sterling v Australian Dollar Forward Exchange Contract	45	0.17
£285,142	Sterling v Japanese Yen Forward Exchange Contract	20	0.08
£4,072,735	Sterling v Euro Forward Exchange Contract	18	0.07
£69,056	Sterling v Mexican Peso Forward Exchange Contract	2	0.01
£267,157	Sterling v Euro Forward Exchange Contract	-	-
		179	0.70
Sterling Futures Contracts 0.19%			
(23)	Long Gilt March 2014 Future Contract	49	0.19
Overseas 30.89%			
Asia Pacific (excluding Japan) 2.62%			
Australian Dollar Denominated Government Bonds 2.62%			
\$450,000	Australia Government 3% Bonds 20/09/2025	308	1.20
\$800,000	Australia Government 3.25% Bonds 21/04/2029	367	1.42
		675	2.62
Europe 15.28%			
Euro Denominated Corporate Bonds 15.26%			
Euro Denominated Fixed Rate Corporate Bonds 13.64%			
€100,000	Ardagh Packaging Finance 7.375% Senior European Medium Term Bonds 15/10/2017	89	0.35
€100,000	AT&T 3.55% Senior Bonds 17/12/2032	80	0.31
€100,000	Bank of Ireland 10% Subordinated Bonds 19/12/2022	100	0.39

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€150,000	Coca-Cola HBC Finance 2.375% Guaranteed European Medium Term Bonds 18/06/2020	124	0.48
€50,000	Cooperatieve Centrale Raiffeisen-Boerenleenbank 6.875% Senior European Medium Term Bonds 19/03/2020	47	0.18
€100,000	Enel Finance International 5.75% Guaranteed European Medium Term Bonds 24/10/2018	96	0.37
€100,000	Gas Natural Capital Markets 5% Guaranteed European Medium Term Bonds 13/02/2018	93	0.36
€200,000	Gtech Spa 8.25% Guaranteed European Medium Term Bonds 31/03/2066	181	0.70
€100,000	HBOS 4.5% Subordinated European Medium Term Bonds 18/03/2030	79	0.31
€50,000	Intesa Sanpaolo 8.047% Perpetual Subordinated Bonds	44	0.17
€200,000	Labco SA 8.5% Senior European Medium Term Bonds 15/01/2018	177	0.69
€100,000	LBG Capital No.2 6.385% Guaranteed Bonds 12/05/2020	88	0.34
€150,000	Linde Finance 7.375% Guaranteed Bonds 14/07/2066	141	0.55
€100,000	Mapfre 5.125% Guaranteed European Medium Term Bonds 16/11/2015	88	0.34
€100,000	Natixis 6.307% Perpetual Subordinated European Medium Term Bonds	87	0.34
€50,000	OTE 4.625% Guaranteed Bonds 20/05/2016	43	0.17
€200,000	Philip Morris International 2.75% Senior Bonds 19/03/2025	162	0.63
€100,000	Procter & Gamble 2% Senior European Medium Term Bonds 16/08/2022	81	0.32
€150,000	Rede Ferroviaria Nacional 4.25% Senior Bonds 13/12/2021	101	0.39
€200,000	RPG 6.75% Senior European Medium Term Bonds 01/05/2020	169	0.66
€100,000	SMCP 8.875% Senior European Medium Term Bonds 15/06/2020	90	0.35
€50,000	Smurfit Kappa Acquisitions 7.75% Senior Bonds 15/11/2019	45	0.18
€100,000	Snam 5.25% Senior European Medium Term Bonds 19/09/2022	97	0.38
€100,000	SSE 5.625% Perpetual Subordinated European Medium Term Bonds	89	0.35
€100,000	Telenor 2.5% Senior European Medium Term Bonds 22/05/2025	79	0.31
€100,000	UniCredit 6.95% Senior Bonds 31/10/2022	91	0.35
€100,000	Unitymedia Hessen 7.5% Senior European Medium Term Bonds 15/03/2019	91	0.35
€350,000	UPCB Finance 6.375% Senior Bonds 01/07/2020	312	1.21
€100,000	Wind Acquisition Finance 7.375% Senior European Medium Term Bonds 15/02/2018	88	0.34
		3,508	13.64
Euro Denominated Variable Rate Corporate Bonds 1.62%			
€100,000	Barclays Bank 4.875% Perpetual Subordinated Bonds	75	0.29
€100,000	Citigroup 0.974% Senior European Medium Term Bonds 31/05/2017	81	0.32
€100,000	Lloyds Bank 2.717% Perpetual Subordinated Bonds	81	0.32
€100,000	Society of Lloyd's 5.625% Subordinated Bonds 17/11/2024	85	0.33
€106,125	Wind Acquisition Holdings Finance 12.25% Senior European Medium Term Bonds 15/07/2017	93	0.36
		415	1.62
Euro Denominated Derivatives 0.02%			
Euro Denominated Open Forward Exchange Contracts (0.01)%			
€120,000	Euro v Sterling Forward Exchange Contract	(1)	-
€200,000	Euro v Sterling Forward Exchange Contract	(1)	-
€85,000	Euro v Sterling Forward Exchange Contract	(2)	(0.01)
		(4)	(0.01)
Euro Futures Contracts 0.03%			
(7)	Euro-Bund March 2014 Futures Contract	12	0.05
4	Euro BOBL Bond March 2014 Futures Contract	(4)	(0.02)
		8	0.03

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Japan (0.02)%		
	Japanese Yen Denominated Derivatives (0.02)%		
	Japanese Yen Denominated Open Forward Exchange Contracts (0.08)%		
¥45,951	Japanese Yen v Sterling Forward Exchange Contract	(21)	(0.08)
	Japanese Yen Futures Contracts 0.06%		
(4)	Japanese 10Yr Note March 2014 Futures Contract	16	0.06
	North American 13.01%		
	North America Denominated Corporate Bonds 10.82%		
	Mexican Peso Denominated Fixed Rate Corporate Bonds 0.33%		
MXN 2,000,000	America Movil 6.45% Senior European Medium Term Bonds 05/12/2022	85	0.33
	US Dollar Denominated Fixed Rate Corporate Bonds 10.49%		
\$100,000	AbbVie 2.9% Senior Bonds 06/11/2022	56	0.22
\$150,000	Altria 2.85% Guaranteed Bonds 09/08/2022	84	0.33
\$150,000	BAT International Finance 3.25% Guaranteed Bonds 07/06/2022	87	0.34
\$150,000	CenturyLink 7.6% Senior Bonds 15/09/2039	81	0.31
\$150,000	Coca-Cola Co 3.2% Senior Bonds 01/11/2023	87	0.34
\$100,000	ConAgra Foods 3.2% Senior Bonds 25/01/2023	56	0.22
\$150,000	COX Communications 3.25% Senior Bonds 15/12/2022	82	0.32
\$150,000	Credit Suisse Guernsey I 7.875% Guaranteed Bonds 24/02/2041	99	0.38
\$100,000	DIRECTV 3.8% Guaranteed Bonds 15/03/2022	58	0.23
\$100,000	European Media Capital 10% Senior European Medium Term Bonds 01/02/2015	59	0.23
\$250,000	Glencore Funding 4.125% Guaranteed Bonds 30/05/2023	141	0.55
\$100,000	Goldcorp 2% Senior Bonds 01/08/2014	61	0.24
\$200,000	HJ Heinz Finance 7.125% Guaranteed Bonds 01/08/2039	124	0.48
\$200,000	Imperial Tobacco Finance 3.5% Guaranteed Bonds 11/02/2023	113	0.44
\$200,000	KBC Bank 8% Subordinated Bonds 25/01/2023	132	0.51
\$150,000	Kraft Foods 3.5% Senior Bonds 06/06/2022	89	0.35
\$100,000	LBG Capital No.1 8% Guaranteed Perpetual European Medium Term Bonds	64	0.25
\$100,000	Lorillard Tobacco 3.75% Guaranteed Bonds 20/05/2023	55	0.21
\$50,000	Merck 4.15% Senior Bonds 18/05/2043	28	0.11
\$150,000	Newmont Mining 1.25% Guaranteed Bonds 15/07/2014	91	0.35
\$100,000	Nielsen Finance 7.75% Guaranteed Bonds 15/10/2018	65	0.25
\$200,000	Nord Anglia Education UK 10.25% Senior Bonds 01/04/2017	133	0.52
\$50,000	Pfizer 3% Senior Bonds 15/06/2023	28	0.11
\$150,000	Pfizer 4.3% Senior Bonds 15/06/2043	86	0.33
\$42,308	PSOS Finance 12% Senior European Medium Term Bonds 06/10/2015	26	0.10
\$100,000	Time Warner Cable 5.875% Guaranteed Bonds 15/11/2040	52	0.20
\$250,000	UBS 7.625% Subordinated Bonds 17/08/2022	174	0.68
\$250,000	UPCB Finance III 6.625% Senior Bonds 01/07/2020	161	0.63
\$300,000	Verizon Communications 5.15% Senior Bonds 15/09/2023	195	0.76
\$200,000	Vnesheconombank Finance 5.375% Senior Bonds 13/02/2017	129	0.50
		2,696	10.49
	US Dollar Denominated Fixed Rate Government Bond 2.16%		
\$1,100,000	US Treasury Inflation Indexed Bonds 0.75% 15/02/2042	556	2.16

Portfolio statement (continued)

as at 31 December 2013

US Dollar Denominated Derivatives 0.08%			
US Dollar Denominated Open Forward Exchange Contracts 0.00%			
\$56,000	US Dollar v Sterling Forward Exchange Contract	-	-
Holding	Investment	Market Value £'000	Percentage of total net assets %
\$73,000	US Dollar v Sterling Forward Exchange Contract	(1)	-
		(1)	-
US Dollar Futures Contracts 0.08%			
(12)	US 10yr Note March 2014 Futures Contract	18	0.07
(2)	US Long Bond (CBT) March 2014 Futures Contract	3	0.01
		21	0.08
Canadian Dollar Denominated Derivatives (0.05)%			
Canadian Dollar Futures Contracts (0.05)%			
15	Canadian 10yr Note March 2014 Futures Contract	(13)	(0.05)
Investment assets*		24,567	95.57
Net other assets		1,139	4.43
Total net assets		25,706	100.00

* Including investment liabilities

The sub-fund launched on 30 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the period from 30 April 2013 to 31 December 2013

	Notes	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Income			
Net capital losses	2		(1,600)
Revenue	3	828	
Expenses	4	(241)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		586	
Taxation	5	-	
Net revenue after taxation			586
Total return before distributions			(1,014)
Finance costs: Distributions	6		(586)
Change in net assets attributable to shareholders from investment activities			(1,600)

Statement of change in net assets attributable to shareholders

for the period from 30 April 2013 to 31 December 2013

	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	39,815	
Amounts paid on cancellation of shares	(12,509)	
		27,306
Change in net assets attributable to shareholders from investment activities		(1,600)
Closing net assets attributable to shareholders		25,706

The sub-fund launched on 30 April 2013, therefore no comparatives are included.

The notes on pages 168 to 173 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			24,610
Debtors	7	476	
Cash and bank balances	8	828	
Total other assets			1,304
Total assets			25,914
Liabilities			
Investment liabilities			(43)
Creditors	9	(112)	
Distribution payable on income shares		(53)	
Total other liabilities			(165)
Total liabilities			(208)
Net assets attributable to shareholders			25,706

The sub-fund launched on 30 April 2013, therefore no comparatives are included.

The notes on pages 168 to 173 form an integral part of these statements.

Notes to the financial statements

for the period from 14 November 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Fidelity Strategic Bond Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net losses on investments comprise:

Losses on non-derivatives securities

Losses on currency contracts

Gains on forward currency contracts

Gains on derivatives securities

Handling charges

Net capital losses on investments

30.04.13 to

31.12.13

£'000

(2,308)

(16)

514

213

(3)

(1,600)

3 Revenue

Bank and term deposit interest

Interest from overseas debt securities

Interest from UK debt securities

Total revenue

30.04.13 to

31.12.13

£'000

1

341

486

828

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

30.04.13 to

31.12.13

£'000

202

202

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

3

2

5

Other expenses:

Administration fees

Audit fees

23

11

34

Total expenses

241

* The Audit fee for the period, excluding VAT, was £9,300.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	30.04.13 to 31.12.13 £'000
Overseas tax suffered	-
Total current tax charge for the period (see note 5(b))	-
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	-

b) Factors affecting current tax charge for the period

	30.04.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	586
Corporation tax at 20%	117
Effects of:	
Tax deductible interest distributions	(117)
Total current tax charge for the period (see note 5(a))	-

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	30.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had no surplus management expenses.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	30.04.13 to 31.12.13 £'000
First Interim (31 May)	75
Second Interim (30 June)	79
Third Interim (31 July)	81
Fourth Interim (31 August)	78
Fifth Interim (30 September)	65
Sixth Interim (31 October)	74
Seventh Interim (30 November)	64
Final (31 December)	66
	582
Revenue deducted on cancellation of shares	8
Revenue received on issue of shares	(4)
Finance costs: Distributions	586
Finance costs: Interest	1
Total finance costs	587

Details of the interim and final distributions per share are set out in the table on pages 174 and 175.

7 Debtors

	31.12.13 £'000
Accrued revenue	476
Total debtors	476

8 Cash and bank balances

	31.12.13 £'000
Amounts held at futures clearing houses and brokers	145
Cash and bank balances	683
Total cash and bank balances	828

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	22
Accrued expenses	32
Amounts payable for cancellation of shares	43
Income tax payable	15
Total creditors	112

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 166. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Bonds and derivatives.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	12	29	41
Canadian Dollar	3	(12)	(9)
Euro	10	32	42
Japanese Yen	-	16	16
Mexican Peso	3	18	21
US Dollar	7	61	68
Total	35	144	179

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Australian Dollar	12	675	3	690
Canadian Dollar	3	-	-	3
Euro	425	3,508	435	4,368
Japanese Yen	-	-	281	281
Mexican Peso	3	85	-	88
Sterling	893	16,298	9,208	26,399
US Dollar	7	3,252	141	3,400
Total	1,343	23,818	10,068	35,229

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Australian Dollar	-	(649)	(649)
Canadian Dollar	-	(12)	(12)
Euro	-	(4,326)	(4,326)
Japanese Yen	-	(265)	(265)
Mexican Peso	-	(67)	(67)
Sterling	-	(872)	(872)
US Dollar	-	(3,332)	(3,332)
Total	-	(9,523)	(9,523)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Australian Dollar	3.14%	13.68 years
Euro	6.01%	11.92 years
Euro Fixed Perpetual	6.59%	-
Euro Variable	5.50%	3.69 years
Mexican Peso	6.45%	8.93 years
Sterling	5.88%	13.47 years
Sterling Fixed Perpetual	5.46%	-
Sterling Variable	2.78%	7.58 years
US Dollar	4.66%	13.72 years
US Dollar Fixed Perpetual	8.00%	-

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated was 73.07% (Source: Old Mutual Global Investors Limited/Factsheet).

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

d) Credit risk (continued)

Analysis of bonds	£'000	%
Investment Grade	18,773	73.07
Below Investment Grade	4,667	18.12
Unrated	893	3.46
	24,333	94.65

e) Counterparty risk

Certain transactions in financial instruments that the sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Fidelity Strategic Bond Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Fidelity Strategic Bond Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 5.39% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 3.26%, 4.49% and 5.39%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 35.44%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current period.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Fidelity Strategic Bond Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 158.

Distribution Table

Final distribution

Group 1: Shares purchased prior to 1 December 2013
 Group 2: Shares purchased from 1 December 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.01.14 pence per share
Income 'A' Shares					
Group 1	0.2456	0.0491	0.1965	-	0.1965
Group 2	0.1383	0.0277	0.1106	0.0859	0.1965

Seventh Interim distribution

Group 1: Shares purchased prior to 1 November 2013
 Group 2: Shares purchased from 1 November 2013 to 30 November 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.13 pence per share
Income 'A' Shares					
Group 1	0.2329	0.0466	0.1863	-	0.1863
Group 2	0.0835	0.0167	0.0668	0.1195	0.1863

Sixth Interim distribution

Group 1: Shares purchased prior to 1 October 2013
 Group 2: Shares purchased from 1 October 2013 to 31 October 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.11.13 pence per share
Income 'A' Shares					
Group 1	0.2620	0.0524	0.2096	-	0.2096
Group 2	0.0276	0.0055	0.0221	0.1875	0.2096

Fifth Interim distribution

Group 1: Shares purchased prior to 1 September 2013
 Group 2: Shares purchased from 1 September 2013 to 30 September 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.10.13 pence per share
Income 'A' Shares					
Group 1	0.2275	0.0455	0.1820	-	0.1820
Group 2	0.1140	0.0228	0.0912	0.0908	0.1820

Distribution Table

Fourth distribution

Group 1: Shares purchased prior to 1 August 2013
 Group 2: Shares purchased from 1 August 2013 to 31 August 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.09.13 pence per share
Income 'A' Shares					
Group 1	0.2669	0.0534	0.2135	-	0.2135
Group 2	0.2059	0.0412	0.1647	0.0488	0.2135

Third Interim distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 31 July 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Income 'A' Shares					
Group 1	0.2726	0.0545	0.2181	-	0.2181
Group 2	0.1095	0.0219	0.0876	0.1305	0.2181

Second Interim distribution

Group 1: Shares purchased prior to 1 June 2013
 Group 2: Shares purchased from 1 June 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.07.13 pence per share
Income 'A' Shares					
Group 1	0.2118	0.0424	0.1694	-	0.1694
Group 2	0.1291	0.0258	0.1033	0.0661	0.1694

First Interim distribution

Group 1: Shares purchased on 24 April 2013
 Group 2: Shares purchased from 25 April 2013 to 31 May 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.06.13 pence per share
Income 'A' Shares					
Group 1	0.1956	0.0391	0.1565	-	0.1565
Group 2	0.0806	0.0161	0.0645	0.0920	0.1565

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

Old Mutual Gilt Fund

Launch date	5 February 2003
Sector classification	UK Gilts
Investment adviser	BlackRock Investment Management (UK) Limited
Net asset value	£120,362,776

Objective

To achieve capital growth through investment in a well diversified portfolio consisting predominantly of UK Gilts. The sub-fund is permitted to invest in overseas bonds, and any non-sterling currency exposure will be hedged back into sterling to remove the risk of exchange rate fluctuation.

Policy

The sub-fund predominantly invests in a well diversified portfolio of UK Gilts. The Company has appointed a specialist manager to manage the sub-fund, and continuously monitors this appointment. Investments may be made through collective investment schemes or through directly invested portfolios.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value per share in pence and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Income 'A' shares were first issued for sale on 18 June 2010 at 62.18p per share. Income 'R' shares were first issued for sale on 24 May 2013 at 67.70p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.11			
Income 'A'	£895,113	1,293,096	69.22
Accumulation 'A'	£203,692,961	280,054,491	72.73
31.12.12			
Income 'A'	£1,667,106	2,441,241	68.29
Accumulation 'A'	£171,965,236	232,888,595	73.84
31.12.13			
Income 'A'	£797,765	1,275,096	62.57
Accumulation 'A'	£119,494,020	171,417,032	69.71
Income 'R' *	£70,991	113,195	62.72

* from 24 May 2013

Comparative table

The table below shows the highest and lowest dealing prices per share in pence for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2009		
Accumulation 'A'	62.22	57.93
2010		
Income 'A'	65.58	61.91
Accumulation 'A'	65.55	59.02
2011		
Income 'A'	70.47	60.15
Accumulation 'A'	72.93	61.20
2012		
Income 'A'	71.59	66.76
Accumulation 'A'	75.43	70.14
2013		
Income 'A'	69.50	63.23
Accumulation 'A'	75.15	69.38
Income 'R'	67.83	63.31

* from 18 June 2010

** from 24 May 2013

The table below shows the net revenue distributed/accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2009	
Accumulation 'A'	2.2069
2010	
Income 'A'	0.0902
Accumulation 'A'	2.1391
2011	
Income 'A'	2.4180
Accumulation 'A'	2.1253
2012	
Income 'A'	2.0473
Accumulation 'A'	2.1059
2013	
Income 'A'	1.9451
Accumulation 'A'	2.0883
Income 'R'	0.9434
2014	
Income 'A'	0.9437
Accumulation 'A'	1.0317
Income 'R'	0.9539

* from 18 June 2010

** from 24 May 2013

*** to ex dividend date of 31 December 2013 (paid on 28 February 2014)

Old Mutual Gilt Fund

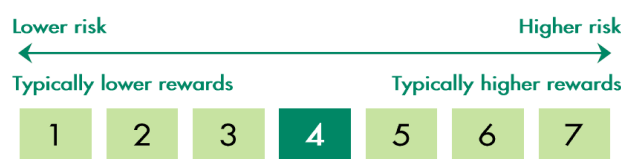
Investment Manager's review

Renewed debt problems in the eurozone, and softness in economic data underpinned highly-rated government bonds in 2012. By May, new record lows were reached in the yields of UK government bonds with ten-year yields falling towards 1.5%, while those in Germany approached a remarkable 1%. However, conditions became less favourable for government bonds in the second half of the year, as sentiment and liquidity conditions improved in the final six months.

Against this backdrop, the passively run Old Mutual Gilt Fund produced a positive return in 2012 that marginally led the benchmark index.

Risk and Reward Profile

Risk and Reward Profile



The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the sub-fund. The risk category shown is not guaranteed and may change over time. A category 1 sub-fund is not a risk-free investment - the risk of losing your money is small, but the chance of making gains is also limited. With a category 7 sub-fund, the risk of losing your money is high but there is also a chance of making high gains. The seven-category scale is complex, for example, 2 is not twice as risky as 1.

The sub-fund is in category 4 because it invests predominantly in UK government bonds while tracking an index; these investments have additional risks as listed below. These factors may increase the value of the investments or expose the sub-fund to losses.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Index-tracking risk - the performance of the sub-fund will depend on the performance of the relevant index and the success of the sub-fund in tracking that index.

Credit risk - the issuer of a Bond or a similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United Kingdom	99.59%
Net other assets	0.41%
Total	100.00%

Asset allocation

Sterling debt securities	99.59%
Net other assets	0.41%
Total	100.00%

Major holdings

	Percentage of portfolio
United Kingdom 4% Bonds 07/03/2022	4.03%
United Kingdom 4.5% Bonds 07/03/2019	3.95%
United Kingdom 5% Bonds 07/03/2018	3.88%
United Kingdom 4% Bonds 07/09/2016	3.56%
United Kingdom 4.25% Bonds 07/06/2032	3.55%
United Kingdom 4.75% Bonds 07/09/2015	3.53%
United Kingdom 5% Bonds 07/03/2025	3.41%
United Kingdom 4.75% Bonds 07/12/2030	3.32%
United Kingdom 4.75% Bonds 07/03/2020	3.29%
United Kingdom 1% Bonds 07/09/2017	3.21%

Number of holdings

38

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	0.70%
31.12.12 Accumulation 'A'	0.70%
31.12.13 Income 'A'	0.68%
31.12.13 Accumulation 'A'	0.68%
31.12.13 Income 'R**'	0.38%

*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the share class launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 99.59% (31 December 2012 98.99%)			
United Kingdom Fixed Rate Government Bonds 99.59% (31 December 2012 98.99%)			
£3,938,000	United Kingdom 1% Bonds 07/09/2017	3,866	3.21
£2,669,000	United Kingdom 1.25% Bonds 22/07/2018	2,596	2.16
£3,253,000	United Kingdom 1.75% Bonds 07/09/2022	2,976	2.47
£3,232,000	United Kingdom 1.75% Bonds 22/01/2017	3,284	2.73
£3,160,000	United Kingdom 2% Bonds 22/01/2016	3,238	2.69
£1,846,000	United Kingdom 2.25% Bonds 07/09/2023	1,726	1.43
£3,376,000	United Kingdom 2.75% Bonds 22/01/2015	3,454	2.87
£2,421,000	United Kingdom 3.25% Bonds 22/01/2044	2,234	1.86
£1,082,000	United Kingdom 3.5% Bonds 22/07/2068	1,056	0.88
£3,337,000	United Kingdom 3.75% Bonds 07/09/2019	3,610	3.00
£2,871,000	United Kingdom 3.75% Bonds 07/09/2020	3,103	2.58
£3,098,000	United Kingdom 3.75% Bonds 07/09/2021	3,337	2.77
£2,364,000	United Kingdom 3.75% Bonds 22/07/2052	2,430	2.02
£4,431,000	United Kingdom 4% Bonds 07/03/2022	4,845	4.03
£3,967,000	United Kingdom 4% Bonds 07/09/2016	4,287	3.56
£2,104,000	United Kingdom 4% Bonds 22/01/2060	2,305	1.91
£2,764,000	United Kingdom 4.25% Bonds 07/03/2036	3,037	2.52
£3,886,000	United Kingdom 4.25% Bonds 07/06/2032	4,271	3.55
£2,306,000	United Kingdom 4.25% Bonds 07/09/2039	2,545	2.11
£3,502,000	United Kingdom 4.25% Bonds 07/12/2027	3,836	3.19
£3,117,000	United Kingdom 4.25% Bonds 07/12/2040	3,445	2.86
£2,437,000	United Kingdom 4.25% Bonds 07/12/2046	2,726	2.26
£2,198,000	United Kingdom 4.25% Bonds 07/12/2049	2,485	2.06
£2,719,000	United Kingdom 4.25% Bonds 07/12/2055	3,114	2.59
£4,245,000	United Kingdom 4.5% Bonds 07/03/2019	4,751	3.95
£2,966,000	United Kingdom 4.5% Bonds 07/09/2034	3,366	2.80
£2,580,000	United Kingdom 4.5% Bonds 07/12/2042	2,985	2.48
£3,473,000	United Kingdom 4.75% Bonds 07/03/2020	3,960	3.29
£3,974,000	United Kingdom 4.75% Bonds 07/09/2015	4,250	3.53
£3,435,000	United Kingdom 4.75% Bonds 07/12/2030	3,995	3.32
£2,771,000	United Kingdom 4.75% Bonds 07/12/2038	3,292	2.74
£4,115,000	United Kingdom 5% Bonds 07/03/2018	4,667	3.88
£3,507,000	United Kingdom 5% Bonds 07/03/2025	4,107	3.41
£440,000	United Kingdom 5% Bonds 07/03/2025	515	0.43
£1,958,000	United Kingdom 6% Bonds 07/12/2028	2,551	2.12
£2,811,000	United Kingdom 8% Bonds 07/06/2021	3,843	3.19
£1,476,000	United Kingdom 8% Bonds 07/12/2015	1,686	1.40
£1,662,000	United Kingdom 8.75% Bonds 25/08/2017	2,092	1.74
		119,866	99.59
Investment assets		119,866	99.59
Net other assets		497	0.41
Total net assets		120,363	100.00

Statement of total return

for the year from 1 January 2013 to 31 December 2013

		01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
	Notes				
Income					
Net capital (losses)/gains	2		(11,150)		470
Revenue	3	4,303		5,910	
Expenses	4	(1,061)		(1,414)	
Finance costs: Interest	6	-		-	
Net revenue before taxation		3,242		4,496	
Taxation	5	-		-	
Net revenue after taxation			3,242		4,496
Total return before distributions			(7,908)		4,966
Finance costs: Distributions	6		(5,527)		(7,205)
Change in net assets attributable to shareholders from investment activities			(13,435)		(2,239)

Statement of change in net assets attributable to shareholders

for the year from 1 January 2013 to 31 December 2013

	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Opening net assets attributable to shareholders		173,632		204,588
Amounts received on issue of shares	42,140		44,726	
Amounts paid on cancellation of shares	(86,176)		(78,635)	
		(44,036)		(33,909)
Change in net assets attributable to shareholders from investment activities		(13,435)		(2,239)
Retained distribution on accumulation shares		4,202		5,192
Closing net assets attributable to shareholders		120,363		173,632

The notes on pages 181 to 186 form an integral part of these statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets					
Investment assets			119,866		171,881
Debtors	7	1,067		2,058	
Cash and bank balances	8	22		657	
Total other assets			1,089		2,715
			120,955		
Total assets					174,596
Liabilities					
Creditors	9	(579)		(939)	
Distribution payable on income shares		(13)		(25)	
Total liabilities			(592)		(964)
Net assets attributable to shareholders			120,363		173,632

The notes on pages 181 to 186 form an integral part of these statements

Notes to the financial statements

for the year from 1 January 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Gilt Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital (losses)/gains

The net (losses)/gains on investments comprise:

(Losses)/gains on non-derivatives securities

Handling charges

Net capital (losses)/gains on investments

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
(11,152)	480
2	(10)
(11,150)	470

3 Revenue

Bank and term deposit interest

Interest from UK debt securities

Total revenue

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
1	2
4,302	5,908
4,303	5,910

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

Other expenses:

Administration fees

Audit fees

Legal fees

Risk & compliance monitoring fees

Total expenses

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
926	1,222
926	1,222
19	26
2	6
21	32
93	143
13	12
5	-
3	5
114	160
1,061	1,414

* The Audit fee for the year, excluding VAT, was £10,650 (31 December 2012: £9,576).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Overseas tax direct charge	-	-
Total current tax charge for the year (see note 5(b))	-	-
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year	-	-

b) Factors affecting current tax charge for the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:		
Net revenue before taxation	3,242	4,496
Corporation tax at 20% (31 December 2011: 20%)	648	899
Effects of:		
Income distribution on coupon basis	245	259
Tax deductible interest distributions	(893)	(1,158)
Total current tax charge for the year (see note 5(a))	-	-

OEIC's are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.01.13 to 31.12.13	01.01.12 to 31.12.12
Deferred tax at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax at the end of the year	-	-

At 31 December 2013 the sub-fund had surplus management expenses of £13,864,651 (31 December 2012: £13,864,651), which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Interim (30 June)	2,452	3,477
Final (31 December)	2,887	3,189
	5,339	6,666
Revenue deducted on cancellation of shares	426	798
Revenue received on issue of shares	(238)	(259)
Finance costs: Distributions	5,527	7,205
Finance costs: Interest	-	-
Total finance costs	5,527	7,205
Reconciliation of distributions:		
Net revenue after taxation	3,242	4,496
Capitalised fees	1,061	1,414
Effective yield adjustment	1,224	1,295
Finance costs: Distributions	5,527	7,205

Details of the interim and final distributions per share are set out in the table on page 187.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued revenue	1,067	1,425
Amounts receivable for issue of shares	-	633
Total debtors	1,067	2,058

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Cash and bank balances	22	657
Total cash and bank balances	22	657

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	62	94
Accrued Depositary's fees	1	2
Accrued expenses	61	65
Amounts payable for cancellation of shares	5	90
Income tax payable	450	688
Total creditors	579	939

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 179. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and floating rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or future contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio Statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However, the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

There are no material exposures to foreign currencies as at the Balance sheet date (31 December 2012: £Nil).

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 (31 December 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Sterling	22	119,866	1,067	120,955
Total	22	119,866	1,067	120,955

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.12				
Sterling	657	171,881	2,058	174,596
Total	657	171,881	2,058	174,596

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(592)	(592)
Total	-	(592)	(592)

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.12			
Euro	-	(1)	(1)
Sterling	-	(963)	(963)
Total	-	(964)	(964)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Sterling	4.15%	14.27 years
2012		
Sterling	4.24	13.81 years
Sterling Perpetual	4.25	-

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated bonds was 99.59% (Source: Old Mutual Global Investors Limited/Factset)

Analysis of bonds	£'000	%
Investment Grade	119,866	99.59
	119,866	99.59

e) Counterparty risk

Certain transactions in financial instruments that the sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation to shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the year enter into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (31 December 2012: £Nil).

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current year and prior year.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Gilt Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 176.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share	Distribution paid 28.02.13 pence per share
Income 'A' Shares						
Group 1	1.1796	0.2359	0.9437	-	0.9437	0.9973
Group 2	0.9608	0.1922	0.7686	0.1751	0.9437	0.9973
Accumulation 'A' Shares						
Group 1	1.2896	0.2579	1.0317	-	1.0317	1.0634
Group 2	0.8315	0.1663	0.6652	0.3665	1.0317	1.0634
Income 'R' Shares						
Group 1	1.1924	0.2385	0.9539	-	0.9539	-
Group 2	0.5703	0.1141	0.4562	0.4977	0.9539	-

Interim distribution

Group 1: Shares purchased prior to 1 January 2013
 Group 2: Shares purchased from 1 January 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.08.13 pence per share	Distribution paid 31.08.12 pence per share
Income 'A' Shares						
Group 1	1.1848	0.2370	0.9478	-	0.9478	0.9847
Group 2	0.7543	0.1509	0.6034	0.3444	0.9478	0.9847
Accumulation 'A' Shares						
Group 1	1.2811	0.2562	1.0249	-	1.0249	1.0345
Group 2	1.0754	0.2151	0.8603	0.1646	1.0249	1.0345
Income 'R' Shares						
Group 1	1.1793	0.2359	0.9434	-	0.9434	-
Group 2	1.1793	0.2359	0.9434	0.0000	0.9434	-

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

Old Mutual Global Property Securities Fund

Launch date	3 October 2005
Sector classification	IMA Property
Investment adviser	Cohen & Steers Capital Management Inc.
Net asset value	£63,246,485

Objective

The sub-fund aims to achieve long term capital growth and income through investment in a globally diversified portfolio of property related securities.

Policy

The emphasis of the sub-fund is investment in property related securities of entities which generate rental income. Investment will be in transferable securities which are primarily Real Estate Investment Trusts (REITs) or real estate companies.

For efficient portfolio management purposes, investment may also be made into derivatives or forward transactions. Specifically, the sub-fund will use derivatives or forwards with the aim of reducing currency risk for investors in currency hedged share classes.

The ACD has appointed a specialist investment adviser to manage the sub-fund, and continuously monitors their suitability.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Institutional income shares were first offered for sale on 22 May 2007 at the Sterling price for that day; however, this share class was later closed on 17 January 2011. US\$ Accumulation shares were first offered on 29 June 2007 at the US\$ equivalent of the sterling price for that day. Income 'R' shares were first issued for sale on 22 February 2013 at 35.61p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.11			
Income 'A'	£75,443,345	264,016,339	28.58
Accumulation US\$ 'A'	£6,288,950	26,092,438	24.10
31.12.12			
Income 'A'	£67,567,590	196,662,990	34.36
Accumulation US\$ 'A'	£7,321,529	25,521,637	28.69
31.12.13			
Income 'A'	£54,926,118	156,521,297	35.09
Accumulation US\$ 'A'	£6,750,181	23,630,901	28.57
Income 'R'	£1,570,186	4,928,735	31.86

* from 22 February 2013.

Comparative table

The table below shows the highest and lowest share prices in pence/cents per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2009		
Income 'A'	30.07	15.95
Institutional 'A'	31.49	16.43
Accumulation US\$	36.89	17.06
2010		
Income 'A'	34.41	27.40
Institutional 'A'	33.87	28.43
Accumulation US\$	41.15	32.29
2011		
Income 'A'	34.59	25.93
Institutional 'A'	33.11	32.41
Accumulation US\$	44.85	33.13
2012		
Income 'A'	34.78	28.60
Accumulation US\$	46.55	37.46
2013		
Income 'A'	40.08	33.53
Accumulation US\$	34.70	27.84
Income 'R'	39.57	31.39

* to 17 January 2011

** from 22 February 2013

The table below shows the net revenue distributed/accumulated per share in pence/cents for the calendar years indicated below.

Calendar year	Pence/cents per share
2009	
Income 'A'	1.2363
Institutional	1.0358
Accumulation US\$	1.0808
2010	
Income 'A'	0.7910
Institutional	0.8194
Accumulation US\$ 'A'	0.9191
2011	
Income 'A'	0.8591
Institutional*	0.3926
Accumulation US\$ 'A'	1.0744
2012	
Income 'A'	0.8482
Accumulation US\$ 'A'	1.0918
2013	
Income 'A'	0.8554
Accumulation US\$ 'A'	1.1348
Income 'R'	0.5308
2014***	
Income 'A'	0.3490
Accumulation US\$ 'A'	0.4991
Income 'R'	0.3305

* paid 28 February 2011.

** from 22 February 2013.

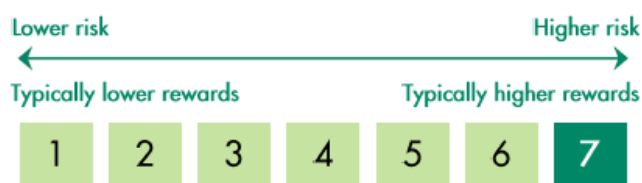
*** to ex-dividend date of 31 December 2013 (paid on 28 February 2014).

Old Mutual Global Property Securities Fund

Investment Manager's review

Heitman's expectations for sustainable growth in North America and improvement in the UK and Europe were directionally correct, but the actual growth is better than expected. In the Asia-Pacific region, economic expectations were in-line with reality, due to solid growth in China and Japan, steady performance in Singapore, and slower growth in Australia. Capital flows continued to be strong into real property during 2013, which lined up with our theme of expansion of the definition of core properties. The expansion of the definition of core properties was driven by the global demand for the real estate asset class and an unquenchable desire for core properties by investors. Strong real estate fundamentals appear set to continue into 2014. However, our main concern for the real estate sector is a rising cost of capital driven by higher financing rates.

Risk and Reward Profile



The risk indicator was calculated using historical data and may not be a reliable indication of the future risk profile of the sub-fund. The risk category shown is not guaranteed and may change over time. A category 1 sub-fund is not a risk-free investment - the risk of losing your money is small, but the chance of making gains is also limited. With a category 7 sub-fund, the risk of losing your money is high but there is also a chance of making high gains. The seven-category scale is complex, for example, 2 is not twice as risky as 1.

The sub-fund is in category 7 as it invests in property-related securities worldwide; these investments have additional risks as listed below. These factors may increase the value of the investments or expose the sub-fund to losses.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Strategy risk - investments in property-related companies are subject to risks associated with direct property ownership.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. This share class is denominated in US Dollars. The hedging process may not give a precise hedge, and some currency risk may remain. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	49.77%
Asia Pacific (Excluding Japan)	19.15%
Japan	15.30%
Europe	8.75%
United Kingdom	5.87%
Derivatives	0.87%
Net other assets	0.29%
Total	100.00%

Asset allocation

Equities	98.84%
Derivatives	0.87%
Net other assets	0.29%
Total	100.00%

Major holdings

	Percentage of portfolio
Simon Property	4.77%
Mitsui Fudosan	4.60%
Mitsubishi Estate	3.55%
Equity Residential	3.46%
Ventas	2.90%
Sun Hung Kai Properties	2.53%
Westfield	2.49%
Unibail-Rodamco	2.39%
Kimco Realty	2.35%
Extra Space Storage	2.26%

Number of holdings

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	2.32%
31.12.12 Accumulation US\$ 'A'	2.29%
31.12.13 Income 'A'	2.04%
31.12.13 Accumulation US\$ 'A'	2.00%
31.12.13. Income 'R'**	1.25%

*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the period, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 6.74% (31 December 2012 4.90%)			
United Kingdom Equities 5.87% (31 December 2012 4.77%)			
Real Estate Investment & Services 1.22% (31 December 2012 0.00%)			
141,930	Capital & Counties Properties	465	0.74
75,921	Unite	306	0.48
		771	1.22
Real Estate Investment Trusts 4.65% (31 December 2012 4.77%)			
63,319	Big Yellow	300	0.48
111,684	British Land	702	1.11
26,726	Derwent London	659	1.04
105,951	Hammerson	532	0.84
77,968	Land Securities	746	1.18
		2,939	4.65
United Kingdom Derivatives 0.87% (31 December 2012 0.13%)			
Sterling Denominated Open Forward Exchange Contract 0.87% (31 December 2012 0.13%)			
£3,938,235	Sterling v Australian Dollar Forward Exchange Contract	34	0.06
£2,065,046	Sterling v Canadian Dollar Forward Exchange Contract	24	0.04
£3,738,252	Sterling v Euro Forward Exchange Contract	15	0.02
£67,136	Sterling v Euro Forward Exchange Contract	-	-
£3,670,207	Sterling v Hong Kong Dollar Forward Exchange Contract	39	0.06
£8,229,716	Sterling v Japanese Yen Forward Exchange Contract	139	0.22
£239,400	Sterling v Japanese Yen Forward Exchange Contract	-	-
£200,071	Sterling v Japanese Yen Forward Exchange Contract	-	-
£2,224	Sterling v Norwegian Krone Forward Exchange Contract	-	-
£2,485,370	Sterling v Singapore Dollar Forward Exchange Contract	21	0.03
£19,089	Sterling v Swedish Krona Forward Exchange Contract	-	-
£688,491	Sterling v Swedish Krona Forward Exchange Contract	(11)	(0.02)
£314,279	Sterling v Swiss Franc Forward Exchange Contract	2	-
£8,103	Sterling v Swiss Franc Forward Exchange Contract	-	-
£26,656,378	Sterling v US Dollar Forward Exchange Contract	290	0.46
£125,692	Sterling v US Dollar Forward Exchange Contract	-	-
		553	0.87
Overseas 92.97% (31 December 2012 93.98%)			
Europe 8.75% (31 December 2012 7.96%)			
Asia Pacific (Excluding Japan) 19.15% (31 December 2012 30.22%)			
Asia Pacific (excluding Japan) Equities 19.15% (31 December 2012 30.22%)			
Australia Equities 6.69% (31 December 2012 9.21%)			
633,233	Dexus Property	344	0.54
299,193	Federation Centres	377	0.60
252,541	Goodman	645	1.02
845,371	Mirvac	767	1.21
289,988	Westfield	1,571	2.49
329,004	Westfield Retail Trust	525	0.83
		4,229	6.69

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
China Equities 0.00% (31 December 2012 1.54%)			
Hong Kong Equities 7.88% (31 December 2012 13.19%)			
46,000	Cheung Kong	440	0.70
236,672	Hongkong Land	845	1.34
497,333	Shimao Property	689	1.09
209,840	Sun Hung Kai Properties	1,603	2.53
258,400	Swire Properties	393	0.62
366,000	Wheelock	1,013	1.60
		4,983	7.88
Philippine Equities 0.00% (31 December 2012 0.78%)			
Singapore Equities 4.58% (31 December 2012 5.50%)			
818,203	CapitaCommercial Trust	566	0.89
403,000	CapitalLand	583	0.92
383,000	CapitaMalls Asia	359	0.57
682,032	Global Logistic Properties	944	1.49
1,216,000	Soilbuild Business Space REIT	446	0.71
		2,898	4.58
Asia Pacific (excluding Japan) Derivatives 0.00% (31 December 2012 0.00%)			
Australian Dollar Open Forward Exchange Contracts 0.00% (31 December 2012 0.00%)			
178,118	Australian Dollar vs Sterling Forward Exchange Contract	(1)	-
Europe Equities 8.75% (31 December 2012 7.96%)			
Austria Equities 0.44% (31 December 2012 0.00%)			
26,192	CA Immobilien	280	0.44
Belgium Equities 0.59% (31 December 2012 0.00%)			
8,428	Warehouses De Pauw	370	0.59
France Equities 3.83% (31 December 2012 3.57%)			
3,461	Gecina	277	0.44
4,202	ICADE	235	0.37
14,216	Klepierre	396	0.63
9,781	Unibail-Rodamco	1,514	2.39
		2,422	3.83
Germany Equities 0.70% (31 December 2012 0.66%)			
30,394	Alstria Office	232	0.37
18,133	Deutsche Wohnen	213	0.33
		445	0.70
Luxembourg Equities 0.52% (31 December 2012 0.00%)			
36,908	GAGFAH	329	0.52
Netherlands Equities 0.86% (31 December 2012 1.67%)			
13,601	Corio	367	0.58
3,730	Wereldhave	178	0.28
		545	0.86

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Norway Equities 0.00% (31 December 2012 0.62%)			
Sweden Equities 1.23% (31 December 2012 0.65%)			
60,112	FastighetsBalder	374	0.59
36,926	Wihlborgs Fastigheter	402	0.64
		776	1.23
Switzerland Equities 0.58% (31 December 2012 0.79%)			
7,188	PSP Swiss Property	369	0.58
Japan 15.30% (31 December 2012 9.42%)			
Japan Equities 15.30% (31 December 2012 9.42%)			
443	Advance Residence Investment	579	0.92
184	Frontier Real Estate Investment	552	0.87
243	Japan Prime Realty Investment	471	0.74
124,213	Mitsubishi Estate	2,245	3.55
133,760	Mitsui Fudosan	2,910	4.60
282	Nippon Building Fund	990	1.57
75	Nippon Prologis REIT	433	0.68
24,000	Sumitomo Realty & Development	722	1.14
115,780	Tokyo Tatemono	777	1.23
		9,679	15.30
Japan Derivatives 0.00% (31 December 2012 0.00%)			
Japanese Yen Open Forward Exchange Contracts 0.00% (31 December 2012 0.00%)			
¥10,485,833	Japanese Yen vs Sterling Forward Exchange Contract	(1)	-
North America 49.77% (31 December 2012 46.38%)			
North America Equities 49.77% (31 December 2012 46.38%)			
Bermuda Equities 0.00% (31 December 2012 0.80%)			
Canada Equities 3.70% (31 December 2012 1.59%)			
19,000	Allied Properties Real Estate Investment Trust	349	0.55
23,350	Boardwalk Real Estate Investment Trust	791	1.25
22,261	Canadian Real Estate Investment Trust	540	0.85
47,175	RioCan Real Estate Investment Trust	663	1.05
		2,343	3.70
United States of America Equities 46.07% (31 December 2012 43.99%)			
54,400	American Campus Communities	1,077	1.70
21,675	Boston Properties	1,326	2.10
7,439	CBL & Associates Properties	81	0.13
68,793	CoreSite Realty	1,330	2.10
234,325	DCT Industrial Trust	1,012	1.60
150,169	Duke Realty	1,367	2.16
85,669	Equity One	1,172	1.85
69,522	Equity Residential	2,190	3.46
55,754	Extra Space Storage	1,427	2.26
33,050	General Growth Properties	404	0.64
59,576	HCP	1,319	2.09

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States of America Equities (continued)			
36,500	Highwoods Properties	803	1.27
33,566	Kilroy Realty	1,021	1.61
123,350	Kimco Realty	1,488	2.35
34,400	Macerich	1,234	1.95
28,763	Mid-America Apartment Communities	1,065	1.68
21,472	National Health Investors	737	1.17
40,500	National Retail Properties	743	1.17
40,358	Pennsylvania Real Estate Investment Trust	464	0.73
78,061	RLJ Lodging Trust	1,148	1.82
32,485	Simon Property	3,014	4.77
145,730	Spirit Realty Capital	861	1.36
139,119	Sunstone Hotel Investors	1,130	1.79
52,450	Ventas	1,831	2.90
16,400	Vornado Realty Trust	891	1.41
		29,135	46.07
North America Derivatives 0.00% (31 December 2012 0.00%)			
US Dollar Open Forward Exchange Contracts 0.00% (31 December 2012 0.00%)			
\$189,784	US Dollar vs Sterling Forward Exchange Contract	(1)	-
Investment assets*		63,063	99.71
Net other assets		183	0.29
Total net assets		63,246	100.00

* Including investment liabilities

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the year from 1 January 2013 to 31 December 2013

		01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
	Notes				
Income					
Net capital gains	2		2,515		16,078
Revenue	3	2,206		2,515	
Expenses	4	(1,468)		(1,776)	
Finance costs: Interest	6	(5)		(1)	
Net revenue before taxation		733		738	
Taxation	5	(213)		(220)	
Net revenue after taxation			520		518
Total return before distributions			3,035		16,596
Finance costs: Distributions	6		(1,843)		(2,092)
Change in net assets attributable to shareholders from investment activities			1,192		14,504

Statement of change in net assets attributable to shareholders

for the year from 1 January 2013 to 31 December 2013

	01.01.13 to 31.12.13 £'000	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000	01.01.12 to 31.12.12 £'000
Opening net assets attributable to shareholders		74,889		81,732
Amounts received on issue of shares	7,902		4,503	
Amounts paid on cancellation of shares	(20,952)		(26,027)	
		(13,050)		(21,524)
Stamp duty reserve tax		(3)		(2)
Unclaimed distributions		3		-
Change in net assets attributable to shareholders from investment activities		1,192		14,504
Retained distribution on accumulation shares		215		179
Closing net assets attributable to shareholders		63,246		74,889

The notes on pages 196 to 203 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets					
Investment assets			63,077		74,098
Debtors	7	779		603	
Cash and bank balances	8	791		1,775	
Total other assets			1,570		2,378
Total assets			64,647		76,476
Liabilities					
Investment liabilities			(14)		(51)
Creditors	9	(824)		(704)	
Bank overdrafts		-		(220)	
Distribution payable on income shares		(563)		(612)	
Total other liabilities			(1,387)		(1,536)
Total liabilities			(1,401)		(1,587)
Net assets attributable to shareholders			63,246		74,889

The notes on pages 196 to 203 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 January 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Global Property Securities Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

(Losses)/gains on non-derivatives securities

(Losses)/gains on currency contracts

Gains on forward currency contracts

Handling charges

Net capital gains on investments

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
(11)	11,566
(87)	1,989
2,653	2,591
(40)	(68)
2,515	16,078

3 Revenue

Bank and term deposit interest

Non-taxable overseas dividends

Taxable overseas dividends

UK dividends

UK REIT dividends

Total revenue

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
-	5
477	502
1,647	1,851
-	15
82	142
2,206	2,515

Notes to the financial statements (continued)

4 Expenses

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:		
Authorised Corporate Director's periodic charge	1,106	1,209
	1,106	1,209
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	8	10
Safe custody fees	5	15
	13	25
Other expenses:		
Administration fees	33	175
Audit fees	9	8
Currency hedge fees	7	22
Investment adviser fees	293	322
Legal fees	2	9
Reclaim of VAT	-	(2)
Registration fees	2	5
Risk & compliance monitoring fees	3	3
	349	542
Total expenses	1,468	1,776

*The Audit fee for the year, excluding VAT, was £7,750 (31 December 2012: £6,778).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Overseas tax direct charge	-	-
Overseas tax suffered	213	220
Total current tax charge for the year (see note 5(b))	213	220
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year	213	220

b) Factors affecting current tax charge for the year

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:		
Net revenue before taxation	733	738
Corporation tax at 20% (31 December 2012: 20%)	147	148
Effects of:		
Excess management expenses for which no relief taken	(9)	(8)
Movement in revenue accruals taxable on receipt	(2)	(5)
Franked investment revenue at 20%	-	(3)
Non-taxable overseas dividends	(96)	(100)
Overseas tax suffered	213	220
Overseas tax expensed	(40)	(32)
Total current tax charge for the year (see note 5 (a))	213	220

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.01.13 to 31.12.13	01.01.12 to 31.12.12
Deferred tax at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax at the end of the year	-	-

At 31 December 2013 the sub-fund had surplus management expenses of £2,604,196 (31 December 2012: £2,634,303), which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Interim (30 June)	1,127	1,286
Final (31 December)	634	680
	<hr/> 1,761	<hr/> 1,966
Revenue deducted on cancellation of shares	128	149
Revenue received on issue of shares	(46)	(23)
Finance costs: Distributions	<hr/> 1,843	<hr/> 2,092
Finance costs: Interest	5	1
Total finance costs	<hr/> 1,848	<hr/> 2,093
Reconciliation of distributions:		
Net revenue after taxation	520	518
Capitalised fees	1,468	1,776
Tax relief on capitalised fees	(145)	(202)
Finance costs: Distributions	<hr/> 1,843	<hr/> 2,092

Details of the interim and final distributions per share are set out in the table on page 204.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued revenue	209	224
Amounts receivable for issue of shares	49	56
Overseas tax recoverable	19	5
Sales awaiting settlement	502	318
Total debtors	<hr/> 779	<hr/> 603

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Cash and bank balances	791	1,775
Total cash and bank balances	<hr/> 791	<hr/> 1,775

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	80	95
Accrued Depositary's fees	1	1
Accrued expenses	114	134
Accrued Investment Adviser's fees	65	50
Amounts payable for cancellation of shares	142	223
Purchases awaiting settlement	422	201
Total creditors	<hr/> 824	<hr/> 704

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 194. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 (31 December 2012) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
	exposures*	exposures		exposures*	exposures	
	31.12.13	31.12.13	31.12.13	31.12.12	31.12.12	31.12.12
	£'000	£'000	£'000	£'000	£'000	£'000
Australian Dollar	34	421	455	102	527	629
Canadian Dollar	-	301	301	4	118	122
Euro	-	602	602	10	390	400
Hong Kong Dollar	41	507	548	44	839	883
Japanese Yen	-	1,211	1,211	265	292	557
Norwegian Krone	-	-	-	2	40	42
Phillipine Peso	-	-	-	(221)	274	53
Singapore Dollar	-	433	433	4	374	378
Swedish Krona	-	57	57	-	47	47
Swiss Franc	-	48	48	-	62	62
US Dollar	316	3,639	3,955	(62)	3,287	3,225
Total	391	7,219	7,610	148	6,250	6,398

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 (31 December 2012) was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
31.12.13				
Australian Dollar	34	-	4,325	4,359
Canadian Dollar	-	-	2,699	2,699
Euro	-	-	4,416	4,416
Hong Kong Dollar	41	-	4,139	4,180
Japanese Yen	-	-	9,741	9,741
Norwegian Krone	-	-	2	2
Singapore Dollar	-	-	2,898	2,898
Sterling	400	-	56,458	56,858
Swedish Krona	-	-	819	819
Swiss Franc	-	-	368	368
US Dollar	316	-	30,147	30,463
Total	791	-	116,012	116,803

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
31.12.12				
Australian Dollar	-	-	7,356	7,356
Canadian Dollar	-	-	1,197	1,197
Euro	-	-	4,426	4,426
Hong Kong Dollar	4	-	9,449	9,453
Japanese Yen	-	-	7,422	7,422
Norwegian Krone	-	-	468	468
Phillipine Peso	-	-	991	991
Singapore Dollar	-	-	4,125	4,125
Sterling	1,749	-	69,625	71,374
Swedish Krona	-	-	488	488
Swiss Franc	-	-	591	591
US Dollar	22	-	36,175	36,197
Total	1,775	-	142,313	144,088

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000
31.12.13			
Australian Dollar	-	(3,904)	(3,904)
Canadian Dollar	-	(2,398)	(2,398)
Euro	-	(3,814)	(3,814)
Hong Kong Dollar	-	(3,632)	(3,632)
Japanese Yen	-	(8,530)	(8,530)
Norwegian Krone	-	(2)	(2)
Sterling	-	(1,222)	(1,222)
Singapore Dollar	-	(2,465)	(2,465)
Swedish Krona	-	(762)	(762)
Swiss Franc	-	(320)	(320)
US Dollar	-	(26,508)	(26,508)
Total	-	(53,557)	(53,557)

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.12			
Australian Dollar	-	(6,727)	(6,727)
Canadian Dollar	-	(1,075)	(1,075)
Euro	-	(4,025)	(4,025)
Hong Kong Dollar	-	(8,570)	(8,570)
Japanese Yen	-	(6,865)	(6,865)
Norwegian Krone	(221)	(426)	(647)
Philippine Peso	-	(717)	(717)
Sterling	-	(2,882)	(2,882)
Singapore Dollar	-	(717)	(717)
Swedish Krona	-	(441)	(441)
Swiss Franc	-	(530)	(530)
US Dollar	-	(32,972)	(32,972)
Total	(221)	(68,976)	(69,197)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the year enter into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

Notes to the financial statements (continued)

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date (31 December 2012: £Nil).

13 Portfolio transaction costs

Analysis of total purchase costs	31.12.13 £'000	31.12.13 £'000
Purchases in the year before transaction costs		140,353
Commissions	154	
Other costs	38	
Total purchase costs		192
Gross purchases total		140,545
Analysis of total sale costs		
Gross sales in the year before transaction costs		151,709
Commissions	(173)	
Other costs	(20)	
Total sale costs		(193)
Total sales net of transaction costs		151,516

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Global Property Securities Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 188.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 31 December 2013

	Net revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 28.02.14 pence/cents per share	Distribution paid 28.02.13 pence/cents per share
Income 'A' Shares				
Group 1	0.3490	-	0.3490	0.3111
Group 2	0.2147	0.1343	0.3490	0.3111
Accumulation US\$ 'A' Shares				
Group 1	0.4991	-	0.4991	0.4276
Group 2	0.3681	0.1310	0.4991	0.4276
Income 'R' Shares				
Group 1	0.3305	-	0.3305	-
Group 2	0.0514	0.2791	0.3305	-

Interim distribution

Group 1: Shares purchased prior to 1 January 2013
 Group 2: Shares purchased from 1 January 2013 to 30 June 2013

	Net revenue pence/cents per share	Equalisation pence/cents per share*	Distribution paid 31.08.13 pence/cents per share	Distribution paid 31.08.12 pence/cents per share
Income 'A' Shares				
Group 1	0.5443	-	0.5443	0.5049
Group 2	0.3438	0.2005	0.5443	0.5049
Accumulation US\$ 'A' Shares				
Group 1	0.7072	-	0.7072	0.6568
Group 2	0.3170	0.3902	0.7072	0.6568
Income 'R' Shares				
Group 1	0.5308	-	0.5308	-
Group 2	0.2395	0.2913	0.5308	-

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Henderson China Opportunities Fund

Launch date	26 April 2013
Sector classification	China Equity
Investment adviser	Henderson Global Investors Limited
Net asset value	£57,168,614

Objective and policy

The sub-fund aims to achieve a total return, (meaning a combination of capital growth and income) in excess of the long-term return that is typically achieved from investments in Hong Kong and Chinese equity markets by investing in:

- companies having their registered office in Hong Kong or China;
- companies that do not have their registered office in Hong Kong or China but either (i) carry out a predominant proportion of their business activity in these markets, or (ii) are holding companies which predominantly own companies with registered offices in Hong Kong or China.

The sub-fund may also invest in American Depositary Receipts ('ADRs') investing in securities issued by companies incorporated in Hong Kong or China or in any similar listed securities of Hong Kong or Chinese companies.

The sub-fund may also invest at the Investment Adviser's discretion in other transferable securities, money market instruments, cash and near cash, derivative instruments and forward transactions, deposits and units in collective investment schemes (use may be made of stock lending, borrowing, cash holdings, hedging and other investment techniques permitted under FCA rules).

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£57,168,614	52,289,451	109.33

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013		
Accumulation 'A'	110.8	90.57

* The sub-fund launched on 26 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2013	
Accumulation 'A'	1.1804
2014*	
Accumulation 'A'	0.0000

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

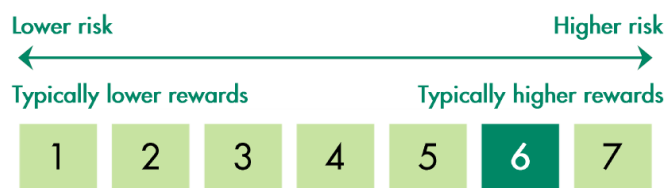
The sub-fund saw good positive returns in the review period to the end of December 2013, significantly ahead of both the reference benchmark and the IMA peer group.

At the sector level, our overweights in the information technology and consumer discretionary sectors added value while our overweight in materials lagged. At the stock level, top contributors included our largest holding, internet software company Tencent, where investors bid up the share in anticipation of strong revenue growth from its mobile internet applications. Our holdings in automobile companies proved profitable as Brilliance China (BMW's JV partner) and local SUV brand Great Wall Motors rallied as car sales remained strong. Profits from Macau casinos continue to run ahead of analysts' expectations, which has benefited our holding in the leading mass market casino operator Sands China. China Oilfield Services also performed well as the company delivered strong profit growth ahead of market expectations.

To take advantage of the value in the market following the June fall we increased our stake in oil exploration and production (E&P) company, CNOOC, which we felt was pricing in zero production growth, which is a highly unlikely outcome. In response to the improving macroeconomic data coming through in September we acquired stakes in two banks – Bank of China and China Construction Bank, funding these by selling our positions in Hong Kong conglomerate Cheung Kong and telecom carrier China Mobile, where we find the policy outlook extremely opaque but skewed to the downside for this dominant player. In September, we participated in the IPO of a well-managed automobile component company, Nexteer Automotive, which after falling on the first day of trading (enabling us to acquire more shares) subsequently rose strongly through October and November. As per our investment process, underperforming stocks were reviewed and a number were subsequently sold from the portfolio, including coal-based power generator China Resources Power, gold miner Zhaojin Mining, and shopping mall owner Wharf Holdings.

Old Mutual Henderson China Opportunities Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which the returns on the fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 6 have in the past shown relatively high volatility. With a fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk – there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk – a fall in the Chinese market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Emerging markets risk – less developed countries may face more political, economic or structural challenges than developed countries.

Liquidity risk – some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in sterling but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivatives risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the fund (ie Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involves counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk – the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Hong Kong	32.29%
China	64.66%
United States	2.83%
Net other assets	0.22%

Total 100.00%

Asset allocation

Equities	99.78%
Net other assets	0.22%

Total 100.00%

Major holdings

	Percentage of portfolio
Tencent Holdings	7.82%
China Construction Bank	7.18%
Bank of China	5.68%
Sands China	5.57%
CNOOC	4.30%
AIA	4.08%
Techtronic Industries	4.02%
Baidu ADR	3.79%
GCL-Poly Energy	3.22%
Sinopec Kantons	2.85%

Number of holdings 46

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.64%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Overseas 99.78%			
Asia Pacific (Excluding Japan) 96.95%			
China Equities 64.66%			
75,000	21Vianet ADR	1,046	1.83
1,724,000	AviChina Industry & Technology	603	1.06
20,592	Baidu ADR	2,168	3.79
11,663,000	Bank of China	3,249	5.68
8,991,000	China Construction Bank	4,105	7.18
170,500	China International Travel Service	589	1.03
2,014,000	China National Building Material	1,311	2.29
304,000	China Oilfield Services	567	0.99
449,944	Chongqing Changan Automobile	529	0.93
438,000	CITIC Securities	721	1.26
2,183,000	CNOOC	2,457	4.30
1,558,651	Daqin Railway	1,148	2.01
3,058,000	Datang International Power Generation	852	1.49
1,160,000	Dongfeng Motor Group	1,094	1.91
327,500	Great Wall Motor	1,091	1.91
1,267,000	Greatview Aseptic Packaging	451	0.79
342,480	Gree Electric Appliances	1,117	1.95
40,700	Home Inns & Hotels Management ADR	1,057	1.85
3,032,000	Huadian Fuxin Energy	722	1.26
2,700,000	Huaneng Renewables	780	1.36
814,000	Lenovo	599	1.05
392,810	SAIC Motor	554	0.97
643,200	Sands China	3,185	5.57
270,000	Shenzhou International	611	1.07
958,000	Sinopec Engineering	866	1.52
1,632,000	Springland International	506	0.89
605,000	Sun Art Retail	515	0.90
115,700	Tencent Holdings	4,470	7.82
		36,963	64.66
Hong Kong Equities 32.29%			
770,200	AIA	2,335	4.08
100,000	Cafe de Coral	194	0.34
676,000	Cathay Pacific Airways	864	1.51
618,000	China Overseas Land & Investment	1,047	1.83
3,888,000	China Resources Cement	1,581	2.77
408,000	China Resources Enterprise	818	1.43
1,162,000	China State Construction International	1,260	2.20
582,000	CIMC Enric	567	0.99
9,873,000	GCL-Poly Energy	1,841	3.22
1,606,000	Giordano International	865	1.51
150,000	Kerry Logistics Network	129	0.23
2,945,000	Lee & Man Paper Manufacturing	1,172	2.05
365,500	MTR	837	1.46
2,422,000	Sinopec Kantons	1,627	2.85
1,344,000	Techtronic Industries	2,297	4.02
2,193,000	Value Partners	1,027	1.80
		18,461	32.29

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	North America 2.83%		
	United States of America Equities 2.83%		
2,745,000	Nexteer Automotive (Hong Kong listed)	947	1.66
365,700	Samsonite International (Hong Kong listed)	671	1.17
		1,618	2.83
	Investment assets	57,042	99.78
	Net other assets	127	0.22
	Total net assets	57,169	100.00

The sub-fund launched on 26 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 26 April 2013 to 31 December 2013

		26.04.13 to 31.12.13 £'000	26.04.13 to 31.12.13 £'000
	Notes		
Income			
Net capital gain	2		4,756
Revenue	3	1,225	
Expenses	4	(646)	
Finance costs: Interest	6	(5)	
Net revenue before taxation		574	
Taxation	5	(55)	
Net revenue after taxation			519
Total return before distributions			5,275
Finance costs: Distributions	6		(688)
Change in net assets attributable to shareholders from investment activities			4,587

Statement of change in net assets attributable to shareholders

for the period from 26 April 2013 to 31 December 2013

	26.04.13 to 31.12.13 £'000	26.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	62,388	
Amounts paid on cancellation of shares	(10,507)	
		51,881
Change in net assets attributable to shareholders from investment activities		4,587
Retained distribution on accumulation shares		701
Closing net assets attributable to shareholders		57,169

The sub-fund launched on 26 April 2013, therefore no comparatives are included.

The notes on pages 211 to 216 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			57,042
Debtors	7	53	
Cash and bank balances	8	275	
Total other assets			328
Total assets			57,370
Liabilities			
Creditors	9	(201)	
Total liabilities			(201)
Net assets attributable to shareholders			57,169

The sub-fund launched on 26 April 2013, therefore no comparatives are included.

The notes on pages 211 to 216 form an integral part of these financial statements.

Notes to the financial statements

for the period from 1 January 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Henderson China Opportunities Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Handling charges

Net capital gains on investments

26.04.13 to

31.12.13

£'000

4,769

(8)

(5)

4,756

3 Revenue

Bank and term deposit interest

Non-taxable overseas dividends

Total revenue

26.04.13 to

31.12.13

£'000

1

1,224

1,225

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

26.04.13 to

31.12.13

£'000

595

595

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

5

4

9

Other expenses:

Administration fees

Audit fees

34

8

42

Total expenses

646

*The Audit fee for the period, excluding VAT, was £6,600.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	26.04.13 to 31.12.13 £'000
Overseas tax suffered	55
Total current tax charge for the period (see note 5(b))	55
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	55

b) Factors affecting current tax charge for the period

	26.04.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	574
Corporation tax at 20%	115
Effects of:	
Excess management expenses for which no relief taken	133
Non-taxable overseas dividends	(248)
Overseas withholding tax	55
Total current tax charge for the period (see note 5 (a))	55

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	26.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £666,517, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	26.04.13 to 31.12.13 £'000
Interim (30 June)	701
Final (31 December)	-
	701
Revenue deducted on cancellation of shares	9
Revenue received on issue of shares	(22)
Finance costs: Distributions	688
Finance costs: Interest	5
Total finance costs	693
Reconciliation of distributions:	
Net revenue after taxation	519
Revenue deficit reimbursed from capital	169
Finance costs: Distributions	688

Details of the interim and final distributions per share are set out in the table on page 217.

7 Debtors

	31.12.13 £'000
Amounts receivable for issue of shares	53
Total debtors	53

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	275
Total cash and bank balances	275

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	73
Accrued Depositary's fees	1
Accrued expenses	41
Amounts payable for cancellation of shares	86
Total creditors	201

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 209. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Hong Kong Dollar	-	49,361	49,361
US Dollar	-	7,680	7,680
Total	-	57,041	57,041

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Hong Kong Dollar	-	-	49,361	49,361
Sterling	275	-	53	328
US Dollar	-	-	7,680	7,680
Total	275	-	57,094	57,369

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000
31.12.13			
Sterling	-	201	201
Total	-	201	201

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Henderson China Opportunities Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Henderson China Opportunities Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 13.82% and 12.16% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 11.13%, 12.96% and 15.79%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

Notes to the financial statements (continued)

13 Portfolio transaction costs

Analysis of total purchase costs

	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		139,371
Commissions	160	
Other costs	71	
Total purchase costs		231
Gross purchases total		139,602

Analysis of total sale costs

Gross sales in the period before transaction costs		87,098
Commissions	(151)	
Other costs	(117)	
Total sale costs		(268)
Total sales net of transaction costs		86,830

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Henderson China Opportunities Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 205.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

Interim distribution

Group 1: Shares purchased on 26 April 2013
 Group 2: Shares purchased from 26 April 2013 to 30 June 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Accumulation 'A' Shares			
Group 1	1.1804	-	1.1804
Group 2	0.1623	1.0181	1.1804

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Henderson European Growth Fund

Launch date	1 March 2013
Sector classification	Specialist
Investment adviser	Henderson Global Investors Limited
Net asset value	£44,348,184

Objective

The sub-fund aims to achieve long term capital growth.

Policy

The sub-fund will invest principally in the securities of European companies. In addition to ordinary shares, the sub-fund may also invest in preference shares, debt securities convertible into ordinary stocks and shares, money market instruments, and deposits. The sub-fund may also invest outside of Europe if the Investment Adviser believes that it is in the interest of the sub-fund.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£44,348,184	40,248,072	110.19

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	110.30	98.10

* The sub-fund launched on 1 March 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence/cents per share
2014*	
Accumulation 'A'	0.4871

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The sub-fund produced a strong return in the period to 31 December 2013, though it modestly trailed the rise in the FTSE World Europe ex UK Index.

Markets have been affected by rather complex factors in Europe recently, being pushed higher more by people wanting to increase their weighting to the region rather than by any dramatic improvement in economic data. There have been some strong gains for more cyclical areas of the market, where the manager tends to be less active. Whilst economic news in Europe is marginally better and company news has generally been quite good, it could be argued that investors are getting a little ahead of themselves.

Stock selection was positive overall in consumer goods, basic materials, financials and technology. Swiss fragrances and flavourings firm Givaudan was foremost amongst the names that added value in the basic materials sector. In the consumer goods sector, tyre and automobile electronics specialist Continental, a new position in the portfolio in 2013, contributed well towards the end of the year on strong results and expectations that car demand will rise in Europe. Performance in the industrial sector was mixed. The share price of civil aerospace firm Zodiac Aerospace breached record highs throughout 2013 as investors welcomed signs of sustained revenue growth and consolidation. The company proposed an annual dividend of €1.60 for the year to be paid in January 2014, up from €1.40 the previous year. Less encouragingly, shares in Swiss escalators and elevators manufacturer Schindler retreated on a profit warning, while pump-maker Sulzer announced weaker-than-expected results. Profits at aero-engine maker MTU were hit by weaker demand for spares and growth in low-margin new engines.

In terms of the most significant portfolio changes, the manager sold the holding in Netherlands-based staffing services provider Randstad, following a period of significant and sustained share price gains. Conversely, a position in UK-listed security services group G4S was initiated, but its stock declined due to its much-publicised problems with the Olympic Games in 2012. This move, however, fails to take into account the company's strong longer-term record, the fact that the UK is only a part of its business and that there are many opportunities in faster-growing parts of the world. We also bought a stake in Swiss seeds and crop protection group Syngenta. Elsewhere, the manager swapped a position in Netherlands-based paints and specialty chemicals maker AkzoNobel, where the turnaround story is taking too long, for a holding in Volkswagen. The German car manufacturer looks undervalued given the percentage of its profits coming from luxury cars. We also purchased Sweden's Atlas Copco, which makes compressors for a huge variety of end applications, and which benefits from large after-market sales.

The landscape for European equities possesses some negative aspects along with the good. There is some understandable concern that the market has run ahead of fundamentals. As European Central Bank president Mario Draghi said in August 2013: 'These shoots are still very, very green.' Despite having seen some progress over the past couple of years, the manager feels disinclined to seek cyclical stocks that are directly affected by changes in the overall economy and Southern Europe. Instead, the manager prefers to stick to the tried and tested focus on world class businesses with global reach, reliable recurring revenues and little debt, and those where management/family teams have a big stake in the business.

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 6 have in the past shown relatively high volatility. With a fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk – there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk – a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Credit risk – the issuer of a bond or similar investment within the fund may not pay income or repay capital to the sub-fund when due.

Interest rate risk – investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk – some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk – the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk – the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk – the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Europe	95.87%
North America	1.95%
United Kingdom	1.23%
Net other assets	0.95%

Total **100.00%**

Asset allocation

Equities	99.05%
Net other assets	0.95%

Total **100.00%**

Major holdings

	Percentage of portfolio
Sampo 'A'	4.50%
Novartis	4.11%
Givaudan	3.89%
Wolters Kluwer	3.83%
Symrise	3.61%
Kerry 'A'	3.49%
Schindler	3.41%
Fuchs Petrolub	3.40%
Nordea Bank	3.37%
Zodiac Aerospace	3.29%

Number of holdings **42**

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.65%
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* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 1.23%		
	United Kingdom Equities 1.23%		
	Security Services 1.23%		
209,962	Group 4 Securicor	548	1.23
	Overseas 97.82%		
	Europe 95.87%		
	Europe Equities 95.87%		
	Denmark Equities 3.14%		
12,539	Novo Nordisk 'B'	1,391	3.14
	Finland Equities 8.64%		
31,310	Kone	855	1.93
20,826	Metso	538	1.21
67,106	Sampo 'A'	1,996	4.50
14,803	Wartsila	441	1.00
		3,830	8.64
	France Equities 9.77%		
10,426	Air Liquide	891	2.01
16,762	Sanofi	1,072	2.41
14,915	Sodexo Alliance	914	2.06
13,589	Zodiac Aerospace	1,458	3.29
		4,335	9.77
	Germany Equities 17.86%		
7,329	Brenntag	821	1.85
6,943	Continental	922	2.08
6,620	Fielmann	467	1.05
25,448	Fuchs Petrolub	1,508	3.40
3,574	Linde	453	1.02
14,617	MTU Aero Engines	871	1.97
57,273	Symrise	1,601	3.61
4,841	Volkswagen (Preference shares)	824	1.86
10,844	Wincor Nixdorf	454	1.02
		7,921	17.86
	Ireland Equities 6.28%		
41,855	DCC	1,238	2.79
36,845	Kerry 'A'	1,546	3.49
		2,784	6.28
	Netherlands Equities 17.14%		
47,496	Aalberts	921	2.08
27,411	Fugro	989	2.23
15,012	Koninklijke	714	1.61
40,486	Nutreco	1,213	2.74
104,432	Reed Elsevier	1,336	3.01
13,774	Schneider Electric	727	1.64
98,390	Wolters Kluwer	1,698	3.83
		7,598	17.14

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Norway Equities 0.62%		
59,444	Prosafe	277	0.62
	Sweden Equities 6.08%		
71,455	Atlas 'A'	1,202	2.71
183,032	Nordea Bank	1,494	3.37
		2,696	6.08
	Switzerland Equities 26.34%		
1,994	Givaudan	1,724	3.89
18,357	Nestle	813	1.83
37,737	Novartis	1,823	4.11
6,375	Roche	1,078	2.43
16,969	Schindler	1,512	3.41
500	Sika	1,077	2.43
7,473	Sulzer	730	1.65
2,832	Swatch	1,133	2.55
3,230	Syngenta	779	1.76
5,779	Zurich Financial Services	1,014	2.28
		11,683	26.34
	North America 1.95%		
	North America Equities 1.95%		
	United States of America Equities 1.95%		
1,288	Google 'A'	865	1.95
	Investment assets	43,928	99.05
	Net other assets	420	0.95
	Total net assets	44,348	100.00

The sub-fund launched on 1 March 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 March 2013 to 31 December 2013

	Notes	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Income			
Net capital gains	2		3,964
Revenue	3	906	
Expenses	4	(594)	
Finance costs: Interest	6	(2)	
Net revenue before taxation		310	
Taxation	5	(88)	
Net revenue after taxation			222
Total return before distributions			4,186
Finance costs: Distributions	6		(222)
Change in net assets attributable to shareholders from investment activities			3,964

Statement of change in net assets attributable to shareholders

for the period from 1 March 2013 to 31 December 2013

	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	46,765	
Amounts paid on cancellation of shares	(6,576)	
		40,189
Stamp duty reserve tax		(1)
Change in net assets attributable to shareholders from investment activities		3,964
Retained distribution on accumulation shares		196
Closing net assets attributable to shareholders		44,348

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 224 to 229 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			43,928
Debtors	7	52	
Cash and bank balances	8	510	
Total other assets			562
Total assets			44,490
Liabilities			
Creditors	9	(142)	
Total liabilities			(142)
Net assets attributable to shareholders			44,348

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 224 to 229 form an integral part of these financial statements.

Notes to the financial statements

for the period from 1 March 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Henderson European Growth Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Handling charges

Net capital gains on investments

01.03.13 to

31.12.13

£'000

3,982

(16)

(2)

3,964

3 Revenue

Bank and term deposit interest

Non-taxable overseas dividends

UK dividends

Total revenue

01.03.13 to

31.12.13

£'000

1

891

14

906

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

539

539

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

5

Safe custody fees

2

7

Other expenses:

Administration fees

40

Audit fees

8

48

Total expenses

594

* The Audit fee for the period, excluding VAT, was £6,600.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	01.03.13 to 31.12.13 £'000
Overseas tax suffered	88
Total current tax charge for the period (see note 5(b))	88
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	88

b) Factors affecting current tax charge for the period

	01.03.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	310
Corporation tax at 20%	62
Effects of:	
Excess management expenses for which no relief taken	119
Franked investment revenue at 20%	(3)
Non-taxable overseas dividends	(178)
Overseas tax suffered	88
Total current tax charge for the period (see note 5(a))	88

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.03.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £595,907, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.03.13 to 31.12.13 £'000
Final (31 December)	196
	196
Revenue deducted on cancellation of shares	49
Revenue received on issue of shares	(23)
Finance costs: Distributions	222
Finance costs: Interest	2
Total finance costs	224

Details of the final distributions per share are set out in the table on page 230.

7 Debtors

	31.12.13 £'000
Overseas tax recoverable	52
Total debtors	52

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	510
Total cash and bank balances	510

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	56
Accrued expenses	41
Amounts payable for cancellation of shares	45
Total creditors	142

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 222. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13	31.12.13	31.12.13
	£'000	£'000	£'000
Danish Krone	-	1,939	1,939
Euro	-	25,260	25,260
Norwegian Krone	-	277	277
Swedish Krona	-	2,696	2,696
Swiss Franc	-	11,704	11,704
US Dollar	-	865	865
Total	-	42,741	42,741

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Danish Krone	-	-	1,939	1,939
Euro	-	-	25,260	25,260
Norwegian Krone	-	-	277	277
Sterling	510	-	1,239	1,749
Swedish Krona	-	-	2,696	2,696
Swiss Franc	-	-	11,704	11,704
US Dollar	-	-	865	865
Total	510	-	43,980	44,490

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(142)	(142)
Total	-	(142)	(142)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the year enter into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		53,356
Commissions	7	
Other costs	2	
Total purchase costs		9
Gross purchases total		53,365
 Analysis of total sale costs		
Gross sales in the period before transaction costs		13,410
Commissions	(10)	
Total sale costs		(10)
Total sales net of transaction costs		13,400

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Henderson European Growth Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 218.

Distribution Table

Final distribution

Group 1: Shares purchased on 1 March 2013
Group 2 : Shares purchased from 2 March 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.4871	-	0.4871
Group 2	0.0000	0.4871	0.4871

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Invesco Perpetual Asian Fund

Launch date	10 July 2013
Sector classification	Specialist
Investment adviser	Invesco Asset Management Limited
Net asset value	£20,345,275

Objective

The sub-fund aims to achieve capital growth in Asia and Australasia, excluding Japan.

Policy

The sub-fund intends to invest primarily in shares of companies in Asia and Australasia (excluding Japan), although it may include other Asian and Australasian related investments. In pursuing this objective, the investment adviser may include investments that they consider appropriate which include transferable securities, money market instruments, warrants, collective investment schemes, deposits and other investments and transactions permitted by the FCA rules.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£20,345,274	20,305,931	100.2

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	104.4	96.35

* The sub-fund launched on 10 July 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.0000

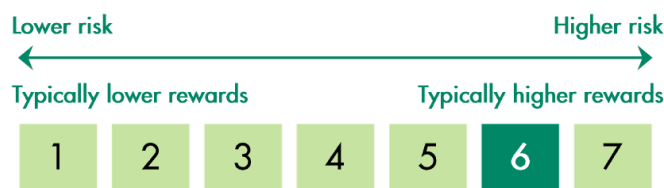
* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

Sub-fund performance over the period benefited from stock selection across a number of different sectors, particularly consumer discretionary and IT. Holdings in Chinese internet companies were among the strongest contributors, buoyed by a number of deals within the sector and growing market appreciation of their ability to monetise mobile traffic, which is helping support their consistent double digit earnings growth and strong cash flow generation. Our holding in the preferred shares of Hyundai Motor also made a notable contribution as their discount to the ordinary shares continued to narrow. Conversely, stock selection in the financials and consumer staple sectors detracted, with holdings in ASEAN banks, real estate companies and conglomerates among the biggest detractors as these holdings underperformed the wider market due to growing concerns over the prospect of tighter global liquidity conditions and specific domestic macro concerns.

We believe the fund is currently well-balanced with exposure to a variety of businesses that possess what we consider to be strong competitive advantages and undervalued growth prospects. With the emergence of an ambitious reform programme in China and continued improvement in the outlook for global growth, we have sought to add exposure in more economically sensitive areas of the market, where we believe valuations appear unduly pessimistic. The sub-fund remains well diversified geographically, with our largest overweight position relative to the benchmark index being in Hong Kong & China, where we favour selective consumer-related areas of the market. We continue to have limited exposure in Australia and its banks, preferring to hold high quality, but what we believe to be undervalued banks across the region, particularly those banks that are able to grow their loan books profitably, benefiting from still low levels of credit penetration. Our exposure in the technology sector remains significant and includes industry leaders with good earnings growth prospects as well as Chinese internet companies.

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk - a fall in the Asia Pacific markets may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Asia Pacific (Excluding Japan)	93.50%
United Kingdom	5.33%
North America	0.96%
Net other assets	0.21%

Total **100.00%**

Asset allocation

Equities	99.79%
Net other assets	0.21%

Total **100.00%**

Major holdings Percentage of portfolio

Samsung Electronics	5.68%
Hutchison Whampoa	4.21%
NetEase ADR	3.50%
Hyundai Motor	3.36%
Taiwan Semiconductor Manufacturing	2.94%
BHP Billiton	2.70%
Baidu ADR	2.64%
Industrial & Commercial Bank of China	2.31%
AIA	2.31%
Keppel	2.18%

Number of holdings **76**

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'** 1.65%

*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 5.33%			
United Kingdom Equities 5.33%			
29,408	BHP Billiton	550	2.70
51,600	HSBC Holdings	339	1.67
42,074	MP Evans Group	196	0.96
		1,085	5.33
Asia Pacific (Excluding Japan) 93.50%			
Asia Pacific (Excluding Japan) Equities 93.50%			
Australia Equities 8.08%			
43,665	Amcor	248	1.22
18,724	Australia & New Zealand Banking	326	1.60
205,585	Dart Energy	12	0.06
72,856	Goodman	186	0.92
6,831	Orica	88	0.43
26,892	Origin Energy	203	1.00
43,665	Orora	27	0.13
16,549	QBE Insurance	103	0.51
27,734	Treasury Wine Estates	71	0.35
21,676	Westpac Banking	379	1.86
		1,643	8.08
China Equities 18.95%			
53,000	Airtac International	260	1.28
5,099	Baidu ADR	537	2.64
74,500	China Shenhua Energy	142	0.70
323,000	CNOOC	363	1.78
48,000	ENN Energy	214	1.05
17,000	Hengan International	121	0.59
1,149,000	Industrial & Commercial Bank of China	470	2.31
15,064	Mindray Medical International ADR	331	1.63
15,029	NetEase ADR	712	3.50
318,000	PetroChina	211	1.04
9,500	Tencent Holdings	367	1.80
224,000	Zhejiang Expressway	128	0.63
		3,856	18.95
Hong Kong Equities 17.80%			
155,000	AIA	470	2.31
216,000	Cathay Pacific Airways	276	1.36
24,000	Cheung Kong Holdings	229	1.13
66,000	China Mobile	413	2.03
76,000	China Resources Enterprise	152	0.75
33,000	Galaxy Entertainment	179	0.88
692,000	HKR International	194	0.95
92,000	Hon Kwok Land Investment	19	0.09
46,000	Hon Kwok Land Investment (Rights 14/1/2014)	-	-
104,000	Hutchison Whampoa	856	4.21
10,400	Jardine Matheson	329	1.62
14,000	Jardine Strategic	271	1.33
342,000	Noble	174	0.85
13,000	Wharf	60	0.29
		3,622	17.80

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
India Equities 8.88%			
90,850	Adani Ports and Special Economic Zone	138	0.68
25,196	Godrej Consumer Products	212	1.04
17,967	Housing Development Finance	140	0.69
7,406	ICICI Bank	80	0.39
16,793	ICICI Bank ADR	376	1.85
4,881	Infosys	166	0.82
212,041	NTPC	284	1.39
212,472	UPL	411	2.02
		1,807	8.88
Indonesia Equities 1.05%			
885,500	Bank Negara Indonesia Persero	173	0.85
310,500	Surya Citra Media	40	0.20
		213	1.05
New Zealand Equities 0.63%			
250,000	Meridian Energy	128	0.63
Philippines Equities 2.63%			
13,010,000	Filinvest Land	248	1.22
698,200	LT Group	147	0.72
2,370,000	Metro Pacific Investments	139	0.69
		534	2.63
Singapore Equities 4.97%			
83,000	Keppel	444	2.18
305,000	Parkway Life Real Estate Investment Trust	343	1.69
22,000	United Overseas Bank	224	1.10
		1,011	4.97
South Korea Equities 17.63%			
27,550	DGB Financial	261	1.28
2,530	Hyundai Mobis	425	2.09
9,250	Hyundai Motor	684	3.36
10,600	Korea Electric Power	211	1.04
1,070	POSCO	200	0.99
1,470	Samsung Electronics	1,156	5.68
554	Samsung Electronics GDR	218	1.07
4,920	Samsung Heavy Industries	107	0.53
11,930	Shinhan Financial	324	1.59
		3,586	17.63
Taiwan Equities 10.39%			
668,120	China Life Insurance	408	2.01
76,000	Delta Electronics	262	1.29
723,800	E.Sun Financial	290	1.42
578,860	Far Eastern New Century	403	1.98
93,500	Hon Hai Precision Industry	152	0.75
281,000	Taiwan Semiconductor Manufacturing	599	2.94
		2,114	10.39

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Thailand Equities 2.49%		
31,000	Advanced Information Service	114	0.56
76,300	Bangkok Bank	249	1.22
502,100	CPN Retail Growth Leasehold Property Fund	144	0.71
169,961	CPN Retail Growth Leasehold Property Fund (Rights)	-	-
		507	2.49
	Asia Pacific (Excluding Japan) Derivatives 0.00%		
	Hong Kong Dollar Open Forward Exchange Contracts 0.00%		
HKD14,541	Hong Kong Dollar v Sterling Forward Exchange Contract	-	-
HKD14,525	Hong Kong Dollar v Sterling Forward Exchange Contract	-	-
		-	-
	North America 0.96%		
	United States of America Equities 0.96%		
107,100	Samsonite International	196	0.96
	Investment assets	20,302	99.79
	Net other assets	43	0.21
	Total net assets	20,345	100.00

The sub-fund launched on 10 July 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 10 July 2013 to 31 December 2013

	Notes	10.07.13 to 31.12.13 £'000	10.07.13 to 31.12.13 £'000
Income			
Net capital gains	2		66
Revenue	3	164	
Expenses	4	(169)	
Finance costs: Interest	6	(2)	
Net expense before taxation		(7)	
Taxation	5	(10)	
Net expense after taxation			(17)
Total return before distributions			49
Finance costs: Distributions	6		-
Change in net assets attributable to shareholders from investment activities			49

Statement of change in net assets attributable to shareholders

for the period from 10 July 2013 to 31 December 2013

	10.07.13 to 31.12.13 £'000	10.07.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	21,812	
Amounts paid on cancellation of shares	(1,516)	
		20,296
Change in net assets attributable to shareholders from investment activities		49
Closing net assets attributable to shareholders		20,345

The sub-fund launched on 10 July 2013, therefore no comparatives are included.
The notes on pages 238 to 243 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			20,302
Debtors	7	3	
Cash and bank balances	8	354	
Total other assets			357
Total assets			20,659
Liabilities			
Creditors	9	(113)	
Bank overdrafts		(201)	
Total liabilities			(314)
Net assets attributable to shareholders			20,345

The sub-fund launched on 10 July 2013, therefore no comparatives are included.
The notes on pages 238 to 243 form an integral part of these financial statements.

Notes to the financial statements

for the period from 10 July 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Invesco Perpetual Asian Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Gains on forward currency contracts

Handling charges

Net capital gains on investments

10.07.13 to

31.12.13

£'000

69

(1)

1

(3)

66

3 Revenue

Non-taxable overseas dividends

Taxable overseas dividends

UK dividends

Total revenue

10.07.13 to

31.12.13

£'000

132

11

21

164

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

153

153

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

1

Safe custody fees

1

2

Other expenses:

Administration fees

6

Audit fees

8

14

Total expenses

169

* The Audit fee for the year, excluding VAT, was £6,600.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	10.07.13 to 31.12.13 £'000
Overseas tax suffered	10
Total current tax charge for the period (see note 5(b))	10
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	10

b) Factors affecting current tax charge for the period

	10.07.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net expense before taxation	(7)
Corporation tax at 20%	(1)
Effects of:	
Excess management expenses for which no relief taken	33
Franked investment revenue at 20%	(4)
Movement in revenue accruals taxable on receipt	(1)
Non-taxable overseas dividends	(27)
Overseas tax suffered	10
Total current tax charge for the year (see note 5 (a))	10

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	10.07.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £168,673 which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	10.07.13 to 31.12.13 £'000
Final (31 December)	-
Revenue deducted on cancellation of shares	-
Revenue received on issue of shares	-
Finance costs: Distributions	-
Finance costs: Interest	2
Total finance costs	2
Reconciliation of distributions:	
Net expense after taxation	(17)
Revenue deficit reimbursed from capital	17
Finance costs: Distributions	-

Details of the interim and final distributions per share are set out in the table on page 244.

7 Debtors

	31.12.13 £'000
Accrued revenue	3
Total debtors	3

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	354
Total cash and bank balances	354

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	26
Accrued expenses	17
Amounts payable for cancellation of shares	68
Purchases awaiting settlement	2
Total creditors	113

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 236. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	-	1,647	1,647
Hong Kong Dollar	(5)	5,401	5,396
Indian Rupee	-	1,430	1,430
Indonesiah Rupiah	-	212	212
New Zealand Dollar	-	128	128
Phillipine Peso	-	534	534
Singapore Dollar	1	1,185	1,186
South Korean Won	-	3,367	3,367
Taiwan Dollar	350	2,374	2,724
Thailand Baht	3	507	510
US Dollar	-	2,774	2,774
Total	349	19,559	19,908

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Australian Dollar	-	-	1,643	1,643
Hong Kong Dollar	-	-	5,403	5,403
Indian Rupee	-	-	1,430	1,430
Indonesiah Ruppiah	-	-	213	213
New Zealand Dollar	-	-	128	128
Phillipine Peso	-	-	534	534
Singapore Dollar	1	-	1,185	1,186
South Korean Won	-	-	3,367	3,367
Sterling	-	-	749	749
Taiwan Dollar	350	-	2,374	2,724
Thailand Baht	3	-	507	510
US Dollar	-	-	2,774	2,774
Total	354	-	20,307	20,661

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Hong Kong Dollar	(5)	(2)	(7)
Sterling	(196)	(113)	(309)
Total	(201)	(115)	(316)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Invesco Perpetual Asian Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Invesco Perpetual Asian Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 9.88% and 10.43% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 9.31%, 10.25% and 12.46%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs

Purchases in the period before transaction costs

Commissions

Total purchase costs

Gross purchases total

Analysis of total sale costs

Gross sales in the period before transaction costs

Commissions

Other costs

Total sale costs

Total sales net of transaction costs

	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		23,092
Commissions	7	
Total purchase costs		7
Gross purchases total		23,099
Analysis of total sale costs		
Gross sales in the period before transaction costs		2,776
Commissions	(5)	
Other costs	(2)	
Total sale costs		(7)
Total sales net of transaction costs		2,769

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Invesco Perpetual Asian Fund are included on page 19 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 231.

Distribution table

Final distribution

Group 1: Shares purchased on 10 July 2013
 Group 2 : Shares purchased from 11 July 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Invesco Perpetual Corporate Bond Fund

Launch date	28 May 2013
Sector classification	IMA Sterling Corporate Bond
Investment adviser	Invesco Asset Management Limited
Net asset value	£105,829,795

Objective

The sub-fund aims to achieve a combination of income and capital growth.

Policy

The sub-fund seeks to achieve its objective by investing primarily in investment grade corporate debt securities. The sub-fund may also invest in government, unrated and subinvestment grade debt securities, cash, cash equivalents, money market instruments, collective investment schemes, and other transferable securities.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Income 'A'	£105,829,795	107,510,238	98.44

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Income 'A'	100.00	95.83

* The sub-fund launched on 28 May 2013.

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2013*	
Income 'A'	0.1885
2014**	
Income 'A'	1.1481

* The sub-fund launched on 28 May 2013.

** to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The sub-fund had a modest positive return in the period, ahead of the negative return recorded for the IMA Sterling Corporate Bond sector average.

Over the period, the sub-fund's relatively high exposure to financials, subordinated bank capital in particular, but also insurance sector debt, boosted returns. This was one of the highest-returning areas of the market and was the largest positive contributor to returns. In a period of rising bond yields, returns relative to the peer group average were also boosted by duration management. The sub-fund's modified duration was maintained over the period at a lower level than that of the wider bond market.

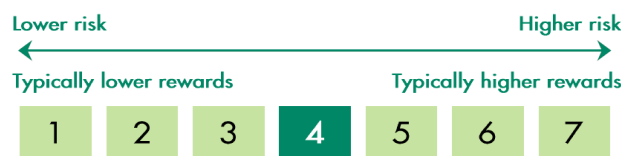
Corporate bond market returns have been modestly negative since the inception of the fund in May 2013 but they have outperformed a falling Gilt market. Market anticipation of rising economic growth and less accommodative US monetary policy put upward pressure on bond yields. However, lower credit quality assets were more positively affected by strengthening economic data.

Even after recent rises, corporate bond yields are low by historic standards. We see quite limited value in many areas of the market. However, some areas are still offering relatively attractive yields. We think that financials remain the main area of value. In our view, structural reform, stricter regulatory requirements for banks and rising capital levels should continue to support subordinated bank debt. The sub-fund is positioned relatively defensively, with a significant exposure to cash and other highly liquid assets. The sub-fund's duration (sensitivity to change in interest rates), at 4.4, is lower than that of the general sterling bond market.

Old Mutual Invesco Perpetual Corporate Bond Fund

Risk and Reward Profile

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Credit risk - the issuer of a bond or similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk - investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk - some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United Kingdom	57.61%
Europe	22.40%
North America	13.40%
Asia Pacific (Excluding Japan)	0.04%
Derivatives	0.32%
Net other assets	6.23%
Total	100.00%

Asset allocation

United Kingdom Debt Securities	78.90%
Euro Denominated Debt Securities	7.41%
North America Debt Securities	7.14%
Derivatives	0.32%
Net other assets	6.23%
Total	100.00%

Major holdings	Percentage of portfolio
Lloyds Bank 13% Perpetual Subordinated European Medium Term Bonds	1.86%
European Investment Bank 6.25% Senior Bonds 15/04/2014	1.67%
Santander Finance Preferred 11.3% Guaranteed Perpetual Bonds	1.56%
Barclays Bank 10% Subordinated European Medium Term Bonds 21/05/2021	1.53%
Rentokil Initial 5.75% Guaranteed European Medium Term Bonds 31/03/2016	1.51%
Siemens Financieringsmaatschappij 6.125% Guaranteed Bonds 14/09/2066	1.43%
General Electric Capital 6.5% Subordinated Bonds 15/09/2067	1.30%
Lloyds Bank 7.625% Subordinated European Medium Term Bonds 22/04/2025	1.29%
Barclays Bank 14% Perpetual Subordinated Bonds	1.26%
SSE 5.75% Senior European Medium Term Bonds 05/02/2014	1.25%
Number of holdings	273

Ongoing charges figure (OCF)*

31.12.13 Income 'A'**	1.11%
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* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Notes to the financial statements (continued)

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 79.19%		
	United Kingdom Debt Securities 78.90%		
	United Kingdom Fixed Rate Corporate Bonds 49.79%		
£321,000	Abbey National Treasury Services 5.125% Guaranteed European Medium Term Bonds 14/04/2022	358	0.34
£133,000	Abbey National Treasury Services 5.75% Guaranteed European Medium Term Bonds 02/03/2027	155	0.15
£486,000	Abbey National Treasury Services London 5.5% Guaranteed European Medium Term Bonds 18/06/2014	496	0.47
£267,000	Affinity Water Programme Finance 3.625% Guaranteed European Medium Term Bonds 30/09/2022	264	0.25
£669,000	Allied Domecq Financial Services 6.625% Guaranteed European Medium Term Bonds 12/06/2014	684	0.65
£700,000	American Express Credit 5.375% Senior European Medium Term Bonds 01/10/2014	723	0.68
£200,000	American International 5% Senior European Medium Term Bonds 26/04/2023	215	0.20
£428,000	Amgen 5.5% Senior Bonds 07/12/2026	471	0.45
£257,000	Anglian Water Services Financing 4.5% Senior European Medium Term Bonds 05/10/2027	258	0.24
£584,000	Arqiva Financing 4.882% Senior European Medium Term Bonds 31/12/2032	576	0.54
£700,000	BAE Systems 10.75% Senior Bonds 24/11/2014	756	0.71
£400,000	Bank of America 6.125% Senior European Medium Term Bonds 15/09/2021	460	0.43
£150,000	Bank of America 7% Senior European Medium Term Bonds 31/07/2028	187	0.18
£190,000	Bank of Scotland 11% Subordinated Bonds 17/01/2014	191	0.18
£1,250,000	Barclays Bank 10% Subordinated European Medium Term Bonds 21/05/2021	1,615	1.53
£101,000	Barclays Bank 9.5% Subordinated Bonds 07/08/2021	127	0.12
£142,000	British Land 5.264% Bonds 24/09/2035	138	0.13
£414,000	British Land 5.357% Bonds 31/03/2028	415	0.39
£100,000	British Sky Broadcasting 6% Guaranteed European Medium Term Bonds 21/05/2027	113	0.11
£577,000	British Telecommunications 6.375% Senior European Medium Term Bonds 23/06/2037	691	0.65
£171,000	BUPA Finance 5% Subordinated Bonds 25/04/2023	168	0.16
£332,000	Centrica 4.375% Senior European Medium Term Bonds 13/03/2029	324	0.31
£188,000	Cheltenham & Gloucester 11.75% Perpetual Subordinated Bonds	265	0.25
£64,000	Co-Operative Bank 5.125% Senior European Medium Term Bonds 20/09/2017	64	0.06
£514,000	Coventry Building Society 6% Senior European Medium Term Bonds 16/10/2019	590	0.56
£180,000	Daimler International Finance 1.75% Guaranteed European Medium Term Bonds 21/05/2014	181	0.17
£134,000	Deutsche Telekom International Finance 4.875% Guaranteed European Medium Term Bonds 23/09/2014	138	0.13
£471,000	DONG Energy AS 4.875% Senior European Medium Term Bonds 12/01/2032	473	0.45
£267,000	Eastern Power Networks 4.75% Senior European Medium Term Bonds 30/09/2021	285	0.27
£107,000	Edinburgh Investment Trust United Kingdom 11.5% Bonds 30/06/2014	111	0.10
£792,000	EE Finance 4.375% Guaranteed European Medium Term Bonds 28/03/2019	814	0.77
£300,000	Electricite de France 5.5% Senior European Medium Term Bonds 17/10/2041	330	0.31
£407,000	Enel Finance International 5.625% Guaranteed European Medium Term Bonds 14/08/2024	417	0.39
£494,000	Enel Finance International 5.75% Guaranteed European Medium Term Bonds 14/09/2040	461	0.44
£1,743,000	European Investment Bank 6.25% Senior Bonds 15/04/2014	1,770	1.67
£396,000	Eversholt Funding 6.697% Senior European Medium Term Bonds 22/02/2035	469	0.44
£535,000	Fidelity International 6.75% Senior European Medium Term Bonds 19/10/2020	596	0.56
£375,000	Fidelity International 7.125% Senior Bonds 13/02/2024	417	0.39
£509,000	Finmeccanica Finance Old 8% Guaranteed European Medium Term Bonds 16/12/2019	571	0.54
£251,000	Firstgroup 6.125% Guaranteed Bonds 18/01/2019	269	0.25
£248,000	G4S 7.75% Senior European Medium Term Bonds 13/05/2019	291	0.28
£106,000	GE Capital UK Funding 5.875% Guaranteed European Medium Term Bonds 04/11/2020	122	0.12
£203,000	GE Capital UK Funding 5.875% Guaranteed European Medium Term Bonds 18/01/2033	237	0.22
£49,000	GE Capital UK Funding 6.25% Guaranteed European Medium Term Bonds 05/05/2038	60	0.06
£321,000	General Electric Capital 4.875% Subordinated European Medium Term Bonds 18/09/2037	314	0.30
£26,000	GLH Hotels 10.75% Bonds 20/12/2014	27	0.03
£241,000	Great Portland Estates 5.625% Bonds 31/01/2029	253	0.24
£399,000	Great Rolling Stock 6.875% Senior European Medium Term Bonds 27/07/2035	474	0.45
£79,000	Grosvenor UK Finance 6.5% Senior Bonds 29/09/2026	91	0.09
£999,000	Heathrow Funding 5.225% Senior European Medium Term Bonds 15/02/2025	1,081	1.02

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom Fixed Rate Corporate Bonds (continued)			
£300,000	Heathrow Funding 7.075% Senior European Medium Term Bonds 04/08/2028	379	0.36
£214,000	Henderson UK Finance 7.25% Guaranteed Bonds 24/03/2016	226	0.21
£396,000	HSBC 6% Subordinated European Medium Term Bonds 29/03/2040	433	0.41
£100,000	Hutchison Whampoa Finance UK 5.625% Guaranteed Bonds 24/11/2017	112	0.11
£50,000	Iberdrola Finanzas 7.375% Guaranteed European Medium Term Bonds 29/01/2024	59	0.06
£50,000	Iberdrola Finanzas 6% Guaranteed European Medium Term Bonds 01/07/2022	54	0.05
£200,000	Imperial Tobacco Finance 5.5% Guaranteed European Medium Term Bonds 22/11/2016	219	0.21
£385,000	Imperial Tobacco Finance 7.75% Guaranteed European Medium Term Bonds 24/06/2019	465	0.44
£672,000	Imperial Tobacco Finance 9% Guaranteed European Medium Term Bonds 17/02/2022	890	0.84
£148,000	ING Bank 3.875% Senior European Medium Term Bonds 23/12/2016	156	0.15
£428,000	IPIC GMTN 6.875% Guaranteed European Medium Term Bonds 14/03/2026	520	0.49
£428,000	Koninklijke KPN 5% Senior European Medium Term Bonds 18/11/2026	430	0.41
£324,000	Koninklijke KPN 6% Senior European Medium Term Bonds 29/05/2019	361	0.34
£564,000	LBG Capital No.1 7.5884% Guaranteed Bonds 12/05/2020	596	0.56
£140,000	LBG Capital No.1 7.8673% Guaranteed Bonds 17/12/2019	148	0.14
£573,000	LBG Capital No.2 8.5% Guaranteed Bonds 07/06/2032	613	0.58
£214,000	LBG Capital No.2 9% Guaranteed Bonds 15/07/2029	231	0.22
£128,000	LBG Capital No.2 9% Guaranteed Bonds 15/12/2019	137	0.13
£71,000	LBG Capital No.2 9.125% Guaranteed Bonds 15/07/2020	77	0.07
£125,000	LBG Capital No.2 9.875% Guaranteed Bonds 10/02/2023	135	0.13
£293,000	LBG Capital No.2 10.5% Guaranteed Bonds 29/09/2023	331	0.31
£53,000	LBG Capital No.2 11.125% Guaranteed Bonds 04/11/2020	60	0.06
£10,000	LBG Capital No.2 11.875% Guaranteed Bonds 01/09/2024	12	0.01
£1,166,000	Lloyds Bank 7.625% Subordinated European Medium Term Bonds 22/04/2025	1,365	1.29
£42,000	Lloyds Bank 9.625% Subordinated Bonds 06/04/2023	54	0.05
£342,000	London Stock Exchange 6.125% Senior Bonds 07/07/2016	372	0.35
£389,000	London Stock Exchange 9.125% Senior Bonds 18/10/2019	493	0.47
£870,000	Marks & Spencer 4.75% Senior European Medium Term Bonds 12/06/2025	856	0.81
£430,000	Marks & Spencer 5.625% Senior European Medium Term Bonds 24/03/2014	434	0.41
£100,000	Marks & Spencer 6.125% Senior European Medium Term Bonds 02/12/2019	111	0.10
£300,000	Merrill Lynch 7.75% Senior European Medium Term Bonds 30/04/2018	358	0.34
£350,000	Metropolitan Life Global Funding I 5.25% Senior European Medium Term Bonds 09/01/2014	350	0.33
£510,000	Mondelez International 5.375% Senior European Medium Term Bonds 11/12/2014	529	0.50
£353,000	Monumental Global Funding 6% Senior European Medium Term Bonds 30/01/2014	354	0.33
£119,000	National Grid 6.125% Senior European Medium Term Bonds 15/04/2014	121	0.11
£360,000	National Westminster Bank 6.5% Subordinated Bonds 07/09/2021	385	0.36
£40,000	National Westminster Bank 7.875% Subordinated Bonds 09/09/2015	43	0.04
£235,000	NIE Finance 6.375% Guaranteed Bonds 02/06/2026	270	0.25
£342,000	Northumbrian Water Finance 5.125% Guaranteed Bonds 23/01/2042	365	0.34
£200,000	Orange 7.25% Senior European Medium Term Bonds 10/11/2020	242	0.23
£39,000	Orange 8% Senior European Medium Term Bonds 20/12/2017	47	0.04
£310,000	Pearson Funding One 6% Guaranteed Bonds 15/12/2015	336	0.32
£1,000	Peel Land & Property Investments 8.375% Bonds 30/04/2040	1	-
£535,000	Permanent Master Issuer 4.805% Bonds 15/07/2042	577	0.55
£458,000	Petroleos Mexicanos 8.25% Guaranteed European Medium Term Bonds 02/06/2022	559	0.53
£137,000	PostNL 7.5% Senior Bonds 14/08/2018	160	0.15
£156,000	Principal Financial Global Funding 6% Senior European Medium Term Bonds 23/01/2014	156	0.15
£171,000	Prudential 6.125% Subordinated European Medium Term Bonds 19/12/2031	190	0.18
£1,493,000	Rentokil Initial 5.75% Guaranteed European Medium Term Bonds 31/03/2016	1,601	1.51
£471,000	Rio Tinto Finance 4% Guaranteed European Medium Term Bonds 11/12/2029	441	0.42
£26,000	Rothschild Continuation Finance CI 9% Guaranteed Perpetual Bonds	29	0.03
£214,000	Royal Bank of Scotland 5.125% Guaranteed Bonds 13/01/2024	238	0.22
£100,000	Royal Bank of Scotland 9.625% Subordinated Bonds 22/06/2015	110	0.10

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom Fixed Rate Corporate Bonds (continued)			
£140,000	Safeway 6% Guaranteed European Medium Term Bonds 10/01/2017	154	0.15
£476,000	Santander UK 10.0625% Perpetual Subordinated Bonds	543	0.51
£200,000	Scottish Widows 5.5% Subordinated Bonds 16/06/2023	200	0.19
£64,000	Shaftesbury 8.5% Bonds 31/03/2024	69	0.07
£600,000	Siemens Financieringsmaatschappij 2.75% Guaranteed European Medium Term Bonds 10/09/2025	527	0.50
£280,000	Skandinaviska Enskilda Banken 6.625% Senior European Medium Term Bonds 09/07/2014	288	0.27
£58,000	Smiths 7.25% Guaranteed Bonds 30/06/2016	64	0.06
£235,000	Southern Gas Networks 4.875% Senior European Medium Term Bonds 05/10/2023	250	0.24
£300,000	Southern Water Services Finance 6.125% Senior European Medium Term Bonds 31/03/2019	342	0.32
£306,000	SP Manweb 4.875% Senior European Medium Term Bonds 20/09/2027	309	0.29
£707,000	SPD Finance UK 5.875% Guaranteed Bonds 17/07/2026	783	0.74
£1,319,000	SSE 5.75% Senior European Medium Term Bonds 05/02/2014	1,325	1.25
£231,000	Standard Chartered 6.5% Senior European Medium Term Bonds 28/04/2014	235	0.22
£300,000	Suez Environnement 5.375% Senior European Medium Term Bonds 02/12/2030	328	0.31
£428,000	Tate & Lyle International Finance 6.75% Guaranteed Bonds 25/11/2019	498	0.47
£250,000	Telecom Italia 7.375% Senior European Medium Term Bonds 15/12/2017	275	0.26
£450,000	Telecom Italia 5.875% Senior European Medium Term Bonds 19/05/2023	432	0.41
£100,000	Telefonica Emisiones 5.289% Guaranteed European Medium Term Bonds 09/12/2022	103	0.10
£644,000	Telefonica Emisiones 5.375% Guaranteed European Medium Term Bonds 02/02/2026	649	0.61
£700,000	Telefonica Emisiones 5.597% Guaranteed European Medium Term Bonds 12/03/2020	746	0.70
£600,000	Telefonica Emisiones 5.888% Guaranteed European Medium Term Bonds 31/01/2014	602	0.57
£491,000	Tesco 5% Senior European Medium Term Bonds 24/02/2014	494	0.47
£130,000	Tesco 5% Senior European Medium Term Bonds 24/03/2023	135	0.13
£696,000	Tesco 6.125% Senior European Medium Term Bonds 24/02/2022	790	0.75
£724,000	Tesco Property Finance 5 5.6611% Mortgage-Backed Bonds 13/10/2041	764	0.72
£212,000	Thames Water Utilities Cayman Finance 7.241% Senior European Medium Term Bonds 09/04/2058	247	0.23
£372,000	Time Warner Cable 5.25% Guaranteed Bonds 15/07/2042	296	0.28
£407,000	Virgin Media Secured Finance 7% Senior Bonds 15/01/2018	422	0.40
£350,000	Vodafone 4.625% Senior European Medium Term Bonds 08/09/2014	358	0.34
£128,000	Vodafone 8.125% Senior European Medium Term Bonds 26/11/2018	158	0.15
£107,000	Wales & West Utilities Finance 5% Senior European Medium Term Bonds 07/03/2028	113	0.11
£192,000	Wellcome Trust Finance 4.75% Guaranteed Bonds 28/05/2021	211	0.20
£107,000	Wessex Water Services Finance 4% Guaranteed European Medium Term Bonds 24/09/2021	109	0.10
£428,000	Western Power Distribution East Midlands 5.25% Senior European Medium Term Bonds 17/01/2023	465	0.44
£307,000	Western Power Distribution West Midlands 3.875% Senior European Medium Term Bonds 17/10/2024	298	0.28
£214,000	WM Morrison Supermarkets 4.625% Guaranteed European Medium Term Bonds 08/12/2023	217	0.20
£203,000	WPP Finance 6.375% Guaranteed Bonds 06/11/2020	237	0.22
£300,000	Yorkshire Water Services Bradford Finance 4.965% Guaranteed European Medium Term Bonds 13/06/2033	315	0.30
		52,698	49.79
United Kingdom Fixed Rate Government Bond 2.10%			
£536,000	European Investment Bank 1.375% Senior European Medium Term Bonds 15/01/2018	524	0.50
£1,000,000	European Investment Bank 1.5% Senior European Medium Term Bonds 01/02/2019	960	0.91
£643,000	European Investment Bank 3.25% Senior European Medium Term Bonds 07/12/2016	678	0.64
£56,000	Instituto de Credito Oficial 4% European Medium Term 08/12/2014	57	0.05
		2,219	2.10
United Kingdom Variable Rate Corporate Bonds 27.01%			
£107,000	Amlin 6.5% Subordinated Bonds 19/12/2026	110	0.10
£200,000	Anglian Water Services Financing 6.75% European Medium Term Bonds 11/06/2024	204	0.19
£200,000	Assicurazioni Generali 6.416% Perpetual Subordinated Bonds	186	0.18
£810,000	Aviva 6.125% Perpetual Subordinated Bonds	833	0.79
£244,000	Aviva 6.875% Subordinated European Medium Term Bonds 20/05/2058	269	0.25

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom Variable Rate Corporate Bonds (continued)			
£361,000	AXA 6.666% Perpetual Subordinated European Medium Term Bonds	378	0.36
£332,000	AXA 6.6862% Perpetual Subordinated European Medium Term Bonds	340	0.32
£759,000	AXA 6.772% Perpetual Subordinated European Medium Term Bonds	806	0.76
£107,000	Bank of Scotland Capital Funding 6.059% Guaranteed Perpetual Bonds	108	0.10
£1,008,000	Barclays Bank 14% Perpetual Subordinated Bonds	1,338	1.26
£240,000	Barclays Bank 6.125% Perpetual Subordinated Bonds	229	0.22
£41,000	Barclays Bank 6.375% Perpetual Subordinated Bonds	42	0.04
£90,000	Barclays Bank 6.75% Subordinated European Medium Term Bonds 16/01/2023	98	0.09
£150,000	Barclays Bank 7.125% Perpetual Subordinated Bonds	153	0.14
£321,000	Barclays Bank 8.25% Perpetual Subordinated European Medium Term Bonds	353	0.33
£236,000	Barclays Bank 9.25% Perpetual Subordinated Bonds	263	0.25
£307,000	Barclays SLCSM Funding 6.14% Guaranteed Perpetual European Medium Term Bonds	310	0.29
£150,000	BNP Paribas 7.436% Perpetual Subordinated Bonds	156	0.15
£192,000	Channel Link Enterprises Finance 3.85469% Floating Rate Bonds 30/06/2050	183	0.17
£731,000	Citigroup Capital XVIII 6.829% Guaranteed Bonds 28/06/2067	680	0.64
£100,000	CNP Assurances 7.375% Subordinated Bonds 30/09/2041	110	0.10
£300,000	Credit Agricole 7.589% Perpetual Subordinated Bonds	314	0.30
£250,000	Credit Agricole 8.125% Perpetual Subordinated Bonds	273	0.26
£50,000	Credit Suisse International 10.25% Perpetual Subordinated Bonds	55	0.05
£669,000	Dexia Credit Local Floating Rate Bonds 01/04/2014	669	0.63
£535,000	Direct Line Insurance 9.25% Guaranteed Bonds 27/04/2042	657	0.62
£145,000	Friends Life 6.292% Guaranteed Perpetual Bonds	141	0.13
£96,000	Friends Life 6.875% Guaranteed Perpetual Bonds	95	0.09
£642,000	GE Capital UK Funding 1.07406% Guaranteed Floating Rate European Medium Term Bonds 09/05/2016	640	0.60
£431,000	General Electric Capital 5.5% Subordinated Bonds 15/09/2066	443	0.42
£1,279,000	General Electric Capital 6.5% Subordinated Bonds 15/09/2067	1,377	1.30
£50,000	Generali Finance 6.214% Guaranteed Perpetual Bonds	49	0.05
£49,000	Granite Mortgages 03-2 0.99719% Mortgage-Backed Floating Rate Bonds 20/07/2043	49	0.05
£119,000	HBOS Capital Funding 6.461% Guaranteed Perpetual Bonds	122	0.12
£717,000	HSBC Capital Funding Jersey 8.208% Guaranteed Perpetual Bonds	773	0.73
£210,000	Legal & General 10% Subordinated European Medium Term Bonds 23/07/2041	280	0.26
£168,000	Legal & General 5.875% Perpetual Subordinated European Medium Term Bonds	179	0.17
£700,000	Legal & General 6.385% Perpetual Subordinated Bonds	742	0.70
£574,000	Linde Finance 8.125% Guaranteed Bonds 14/07/2066	651	0.61
£1,241,000	Lloyds Bank 13% Perpetual Subordinated European Medium Term Bonds	1,973	1.86
£385,000	Lloyds Bank 6.9625% Subordinated European Medium Term Bonds 29/05/2020	402	0.38
£246,000	National Westminster Bank 5.9779% Perpetual Subordinated European Medium Term Bonds	230	0.22
£304,000	National Westminster Bank 7.125% Perpetual Subordinated European Medium Term Bonds	274	0.26
£50,000	Nationwide Building Society 5.769% Perpetual Subordinated Bonds	45	0.04
£182,000	Nationwide Building Society 6% Perpetual Subordinated Bonds	181	0.17
£107,000	Nationwide Building Society 6.5% Subordinated European Medium Term Bonds 01/09/2022	106	0.10
£200,000	Nationwide Building Society 7.859% Perpetual Subordinated Bonds	211	0.20
£250,000	Nationwide Building Society 7.971% Perpetual Subordinated Bonds	260	0.25
£300,000	NGG Finance 5.625% Guaranteed Bonds 18/06/2073	302	0.29
£449,000	RBS Capital Trust D 5.6457% Guaranteed Perpetual Bonds	376	0.36
£170,000	RL Finance No. 2 6.125% Guaranteed Bonds 30/11/2043	168	0.16
£22,000	Royal Bank of Scotland 3.158% Perpetual Subordinated European Medium Term Bonds	18	0.02
£235,000	Royal Bank of Scotland 9.5% Guaranteed Perpetual Bonds	249	0.24
£320,000	RSA Insurance 6.701% Guaranteed Perpetual Bonds	325	0.31
£413,000	RSA Insurance 8.5% Guaranteed Perpetual Bonds	424	0.40
£600,000	RSA Insurance 9.375% Guaranteed Bonds 20/05/2039	707	0.67
£500,000	RWE 7% Perpetual Subordinated Bonds	529	0.50
£1,600,000	Santander Finance Preferred 11.3% Guaranteed Perpetual Bonds	1,656	1.56
£65,000	Santander UK 7.125% Perpetual Subordinated Bonds	64	0.06

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom Variable Rate Corporate Bonds (continued)			
£42,000	Santander UK 7.375% Perpetual Subordinated Bonds	40	0.04
£1,398,000	Siemens Financieringsmaatschappij 6.125% Guaranteed Bonds 14/09/2066	1,511	1.43
£440,000	Societe Generale 8.875% Perpetual Subordinated Bonds	484	0.46
£1,133,000	SSE 5.453% Perpetual Subordinated European Medium Term Bonds	1,173	1.11
£285,000	Standard Life 5.5% Subordinated European Medium Term Bonds 04/12/2042	292	0.28
£389,000	Standard Life 6.546% Guaranteed Perpetual Bonds	423	0.40
£345,000	Standard Life 6.75% Guaranteed Perpetual Bonds	376	0.36
£150,000	Svenska Handelsbanken 1.51719% Senior Floating Rate European Medium Term Bonds 20/01/2014	150	0.14
£500,000	Telefonica Europe 6.75% Guaranteed Perpetual Bonds	509	0.48
£257,000	Thames Water Utilities Cayman Finance 5.75% European Medium Term Bonds 13/09/2030	278	0.26
£170,000	Zurich Finance UK 6.625% Guaranteed Perpetual European Medium Term Bonds	188	0.18
		28,582	27.01
United Kingdom Derivatives 0.29%			
Sterling Denominated Open Forward Exchange Contract 0.16%			
£8,337,710	Sterling v Euro Forward Exchange Contract	4	-
£2,824,353	Sterling v US Dollar Forward Exchange Contract	101	0.10
£5,513,287	Sterling v US Dollar Forward Exchange Contract	65	0.06
		170	0.16
Sterling Futures Contracts 0.13%			
(53)	Long Gilt March 2014 Futures Contract	138	0.13
Overseas 14.58%			
Euro Denominated Debt Securities 7.41%			
Euro Denominated Fixed Rate Corporate Bond 3.79%			
€146,000	Bank of Ireland Mortgage Bank 4.625% Guaranteed European Medium Term Bonds 16/09/2015	125	0.12
€1,000,000	Co-Operative Bank 2.375% Senior European Medium Term Bonds 23/10/2015	808	0.76
€685,000	Deutsche Bank Capital Funding Trust XI 9.5% Guaranteed Perpetual Bonds	607	0.57
€112,000	Deutsche Bank Contingent Capital Trust IV 8% Guaranteed Perpetual Bonds	101	0.10
€150,000	Gas Natural Capital Markets 5.25% Guaranteed European Medium Term Bonds 09/07/2014	128	0.12
€642,000	Intesa Sanpaolo 5% Guaranteed Bonds 27/01/2021	614	0.58
€230,000	Intesa Sanpaolo 6.625% Subordinated European Medium Term Bonds 13/09/2023	207	0.20
€128,000	Repsol International Finance 6.5% Guaranteed European Medium Term Bonds 27/03/2014	108	0.10
€200,000	Royal Bank of Scotland 5.25% Perpetual Subordinated Bonds	137	0.13
€324,000	Royal Bank of Scotland 5.5% Perpetual Subordinated Bonds	227	0.21
€200,000	Santander International Debt 4.375% Guaranteed Bonds 04/09/2014	170	0.16
€200,000	Telecom Italia 5.25% Senior European Medium Term Bonds 17/03/2055	132	0.12
€460,000	UniCredit 6.95% Subordinated European Medium Term Bonds 31/10/2022	418	0.40
€235,000	UniCredit 5.25% Guaranteed European Medium Term Bonds 30/04/2023	230	0.22
		4,012	3.79
Euro Denominated Fixed Rate Government Bond 0.50%			
€642,000	European Investment Bank 1% Senior European Medium Term Bonds 13/07/2018	534	0.50
Euro Denominated Variable Rate Corporate Bond 3.12%			
€150,000	BNP Paribas 7.781% Perpetual Subordinated European Medium Term Bonds	145	0.14
€229,000	DONG Energy AS 6.25% Subordinated Bonds 26/06/3013	209	0.20
€214,000	Energie Baden-Wuerttemberg 7.375% Subordinated European Medium Term Bonds 02/04/2072	199	0.19
€488,000	GE Capital European Funding 0.68% Guaranteed Floating Rate European Medium Term Bonds 03/05/2016	406	0.38

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Variable Rate Corporate Bond (continued)			
€107,000	General Electric Capital 4.625% Subordinated Bonds 15/09/2066	91	0.09
€225,000	HSBC Capital Funding Jersey 5.3687% Guaranteed Perpetual Bonds	188	0.18
€200,000	Iberdrola International 5.75% Guaranteed Perpetual European Medium Term Bonds	176	0.17
€100,000	JPMorgan Chase & 0.627% Subordinated Floating Rate European Medium Term Bonds 12/10/2015	82	0.08
€128,000	Lloyds Bank 10.375% Subordinated European Medium Term Bonds 12/02/2024	137	0.13
€150,000	Metlife Institutional Funding I 4% Senior Floating Rate European Medium Term Bonds 28/06/2022	140	0.13
€600,000	Nomura Bank International 5.75% Guaranteed Floating Rate European Medium Term Bonds 30/09/2019	550	0.52
€74,000	RBS Capital Trust C 4.243% Guaranteed Perpetual Bonds	54	0.05
€131,000	Royal Bank of Scotland 0.825% Perpetual Subordinated Floating Rate European Medium Term Bonds	91	0.08
€278,000	Royal Bank of Scotland 1.54393% Senior Floating Rate Inflation Linked Bonds 30/09/2014	232	0.22
€450,000	Royal Bank of Scotland 7.0916% Perpetual Subordinated Bonds	365	0.34
€90,000	Standard Life 5.314% Guaranteed Perpetual Bonds	76	0.07
€171,000	TenneT 6.655% Perpetual Subordinated Bonds	157	0.15
		3,298	3.12
North America 7.17%			
North America Debt Securities 7.14%			
United States of America Fixed Rate Corporate Bond 4.48%			
\$412,000	Verizon Communications 6.55% Senior Bonds 15/09/2043	293	0.28
\$192,000	Tesco 6.15% Senior Bonds 15/11/2037	126	0.12
\$128,000	Telefonica Europe 8.25% Guaranteed Bonds 15/09/2030	92	0.09
\$800,000	Pearson Funding Five 3.25% Guaranteed Bonds 08/05/2023	436	0.41
\$855,000	Marks & Spencer 7.125% Senior Bonds 01/12/2037	536	0.51
\$150,000	HBOS 6.75% Subordinated Medium Term Bonds 21/05/2018	103	0.10
\$379,000	Enel Finance International 5.125% Guaranteed Bonds 07/10/2019	245	0.23
\$200,000	Credit Suisse 6.5% Subordinated Bonds 08/08/2023	129	0.12
\$910,000	Credit Agricole 9.75% Perpetual Subordinated Bonds	581	0.55
\$943,000	BP Capital Markets 2.75% Guaranteed Bonds 10/05/2023	521	0.49
\$2,255,000	Apple 3.85% Senior Bonds 04/05/2043	1,135	1.07
\$1,000,000	Apple 2.4% Senior Bonds 03/05/2023	544	0.51
		4,741	4.48
United States of America Variable Rate Corporate Bond 2.66%			
\$424,000	AXA 6.379% Perpetual Subordinated Bonds	251	0.24
\$200,000	BNP Paribas 7.195% Perpetual Subordinated Bonds	125	0.12
\$160,000	Credit Suisse Guernsey I 7.875% Guaranteed Bonds 24/02/2041	105	0.10
\$60,000	Hongkong & Shanghai Banking 5% Perpetual Subordinated Floating Rate Bonds	37	0.04
\$40,000	HSBC Bank 0.6175% Perpetual Subordinated Floating Rate Bonds	16	0.02
\$492,000	Hutchison Whampoa International 10 6% Guaranteed Perpetual Bonds	316	0.30
\$267,000	LBG Capital No.1 8% Guaranteed Perpetual European Medium Term Bonds	172	0.16
\$66,000	Lloyds Banking 6.657% Perpetual Subordinated Bonds	39	0.04
\$595,000	Nordea Bank 8.375% Perpetual Subordinated European Medium Term Bonds	386	0.36
\$1,000,000	Prudential 11.75% Perpetual Subordinated European Medium Term Bonds	660	0.62
\$400,000	Royal Bank of Scotland 7.64% Perpetual Subordinated Bonds	233	0.22
\$394,000	Royal Bank of Scotland 9.5% Subordinated European Medium Term Bonds 16/03/2022	279	0.26
\$200,000	Standard Chartered 7.014% Perpetual Subordinated Bonds	128	0.12
\$100,000	Standard Chartered 7.014% Perpetual Subordinated Bonds	64	0.06
		2,811	2.66

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States of America Futures Contracts 0.03%		
(23)	US Long Bond (CBT) March 2014 Futures Contract	33	0.03
	Investment assets	99,236	93.77
	Net other assets	6,594	6.23
	Total net assets	105,830	100.00

The sub-fund launched on 28 May 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the period from 28 May 2013 to 31 December 2013

	Notes	28.05.13 to 31.12.13 £'000	28.05.13 to 31.12.13 £'000
Income			
Net capital losses	2		(2,077)
Revenue	3	2,694	
Expenses	4	(756)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		1,937	
Taxation	5	-	
Net revenue after taxation			1,937
Total return before distributions			(140)
Finance costs: Distributions	6		(1,937)
Change in net assets attributable to shareholders from investment activities			(2,077)

Statement of change in net assets attributable to shareholders

for the period from 28 May 2013 to 31 December 2013

	28.05.13 to 31.12.13 £'000	28.05.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	127,227	
Amounts paid on cancellation of shares	(19,320)	
		107,907
Change in net assets attributable to shareholders from investment activities		(2,077)
Closing net assets attributable to shareholders		105,830

The sub-fund launched on 28 May 2013, therefore no comparatives are included.
The notes on pages 256 to 261 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			99,236
Debtors	7	2,491	
Cash and bank balances	8	5,953	
Total other assets			8,444
Total assets			107,680
Liabilities			
Creditors	9	(616)	
Distribution payable on income shares		(1,234)	
Total liabilities			(1,850)
Net assets attributable to shareholders			105,830

The sub-fund launched on 28 May 2013, therefore no comparatives are included.
The notes on pages 256 to 261 form an integral part of these financial statements.

Notes to the financial statements

for the period from 10 July 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Invesco Perpetual Corporate Bond Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

	28.05.13 to 31.12.13 £'000
The net losses on investments comprise:	
Losses on non-derivatives securities	(3,677)
Losses on currency contracts	(116)
Gains on derivatives securities	695
Gains on forward currency contracts	1,025
Handling charges	(4)
Net capital losses on investments	(2,077)

3 Revenue

	28.05.13 to 31.12.13 £'000
Interest on overseas debt securities	1,117
Interest on UK debt securities	1,577
Total revenue	2,694

4 Expenses

	28.05.13 to 31.12.13 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:	
Authorised Corporate Director's periodic charge	684
	684
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	9
Safe custody fees	3
	12
Other expenses:	
Administration fees	49
Audit fees	11
	60
Total expenses	756

* The Audit fee for the period, excluding VAT, was £9,300.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	28.05.13 to 31.12.13 £'000
Overseas tax suffered	-
Total current tax charge for the period (see note 5(b))	-
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	-

b) Factors affecting current tax charge for the period

	28.05.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	1,937
Corporation tax at 20%	387
Effects of:	
Tax deductible interest distributions	(387)
Total current tax charge for the period (see note 5 (a))	-

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	28.05.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had no surplus management expenses.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	28.05.13 to 31.12.13 £'000
Interim (30 June)	286
Final (31 December)	1,564
	1,850
Revenue deducted on cancellation of shares	88
Revenue received on issue of shares	(1)
Finance costs: Distributions	1,937
Finance costs: Interest	(1)
Total finance costs	1,938

Details of the interim and final distributions per share are set out in the table on page 262.

7 Debtors

	31.12.13 £'000
Accrued revenue	2,491
Total debtors	2,491

8 Cash and bank balances

	31.12.13 £'000
Amounts held at futures clearing houses and brokers	70
Cash and bank balances	5,883
Total cash and bank balances	5,953

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	92
Accrued Depositary's fees	1
Accrued expenses	55
Amounts payable for cancellation of shares	137
Income Tax payable	331
Total creditors	616

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 254. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and floating rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Euro	1,403	(297)	1,106
US Dollar	2,061	(523)	1,538
Total	3,464	(820)	2,644

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Euro	4,701	4,546	193	9,440
Sterling	31,071	54,917	19,048	105,036
US Dollar	4,872	4,741	96	9,709
Total	40,644	64,204	19,337	124,185

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000
31.12.13			
Euro	-	(8,334)	(8,334)
Sterling	-	(1,850)	(1,850)
US Dollar	-	(8,171)	(8,171)
Total	-	(18,355)	(18,355)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
2013		
Euro	4.14%	6.29 years
Euro Fixed Perpetual	7.97%	-
Euro Variable	5.01%	7.10 years
Sterling	6.20%	8.91 years
Sterling Variable	7.64%	12.62 years
US Dollar	4.47%	18.40 years
US Dollar Fixed Perpetual	9.75%	-
US Dollar Variable	8.48%	1.83 years

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated bonds was 83.23% (Source: Old Mutual Global Investors Limited/Factset)

Analysis of bonds	£'000	%
Investment Grade	88,074	83.23
Below Investment Grade	9,124	8.61
Unrated	1,697	1.61
	98,895	93.45

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Invesco Perpetual Corporate Bond Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Invesco Perpetual Corporate Bond Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 4.17% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 2.40%, 3.28% and 4.19%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 6.92%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for the current period.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Invesco Perpetual Corporate Bond Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 245.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2 : Shares purchased from 1 July 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Income 'A' Shares					
Group 1	1.4351	0.2870	1.1481	-	1.1481
Group 2	1.1274	0.2255	0.9019	0.2462	1.1481

Interim distribution

Group 1: Shares purchased on 28 May 2013
 Group 2 : Shares purchased from 29 May 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Income 'A' Shares					
Group 1	0.2356	0.0471	0.1885	-	0.1885
Group 2	0.1334	0.0267	0.1067	0.0818	0.1885

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.

Old Mutual JPM Emerging Markets Fund

Launch date	26 April 2013
Sector classification	Specialist
Investment adviser	JPMorgan Asset Management (UK) Limited
Net asset value	£8,586,773

Objective and Policy

The sub-fund aims to provide long term capital growth by investing primarily in Equity and Equity-Linked Securities of Emerging Market companies.

Emerging Markets companies are companies that are incorporated under the laws of, and have their registered office in, an Emerging Market country, or that derive the predominant part of their economic activity from Emerging Market countries, even if listed elsewhere. Smaller companies may be held on an ancillary basis.

Other instruments as permitted in the stated investment and borrowing powers of the Company including, but not limited to, fixed interest securities, cash and cash equivalents may be held on an ancillary basis, as appropriate.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£8,586,773	9,494,902	90.44

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	104.87	86.84

* The sub-fund launched on 26 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.2603

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The performance of emerging market equities has been a big disappointment for some time, and the manager enters 2014 the most pessimistic about the asset class in years. However, the current climate offers a huge opportunity for stock picking in emerging markets.

It is notable that in relative terms emerging markets are now looking increasingly attractive compared with developed markets in terms of long-term fundamental valuations. The fund had a challenging year, with performance affected by exposure to countries (and their currencies) with current-account-deficit issues and unproductive stock picking in China. Stock selection and overweights in South Africa and Turkey also detracted from returns. The sub-fund's performance was affected by positions in India, Indonesia and Brazil through asset allocation, but stock selection within these markets countered this and resulted in a positive impact overall. Stock selection was strong in the consumer sector, where high quality businesses tend to be found, with strong economics and good duration of growth. The sub-fund benefited from strong stock selection in Russia, notably Magnit, a hypermarket chain.

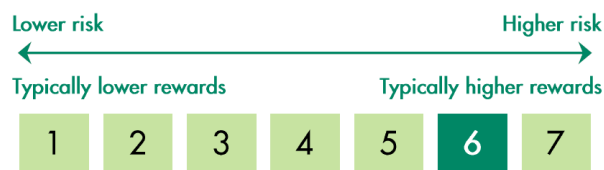
Positioning is driven by stock picking decisions based on the comprehensive research from our global, experienced team of 36 investment professionals. The sub-fund is overweight in India and South Africa, where the manager sees strong opportunities associated with their economic and governance backdrops. The sub-fund has underweights in Korea and Taiwan, where long-term growth opportunities look relatively less impressive. By sector, we have a bias towards stocks that are sensitive to consumer demand - resulting in underweight exposure to energy and materials issues.

The manager added to positions in medium-sized companies, where there appears to be major long-term potential; examples included Capitec (South Africa), Mahindra & Mahindra Finance (Indian micro-financing to farmers) and Marco Polo (Brazil bus manufacturer). The manager added to domestic-oriented businesses, such as Lojas Renner in Brazil and Sands China, as well as to industrials like Bidvest (South Africa) and Larsen Toubro (India).

Old Mutual JPM Emerging Markets Fund

Risk and Reward Profile

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in, or with exposure to, other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Asia Pacific (Excluding Japan)	58.18%
South America	14.15%
Africa	12.18%
Europe	8.06%
United Kingdom	4.25%
North America	2.67%
Net other assets	0.51%
Total	100.00%

Asset allocation

Equities	99.49%
Net other assets	0.51%
Total	100.00%

Major holdings

Percentage of portfolio

Hyundai Motor GDR	5.79%
Samsung Electronics ADR	4.88%
Taiwan Semiconductor Manufacturing ADR	4.55%
HDFC Bank ADR	3.36%
AIA	2.91%
AMBEV ADR	2.62%
Infosys ADR	2.62%
Magnit GDR	2.58%
China Mobile	2.37%
SABMiller	2.35%

Number of holdings	69
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Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'	1.66%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 4.25%		
	United Kingdom Equities 4.25%		
6,548	SABMiller	202	2.35
11,945	Standard Chartered	163	1.90
		365	4.25
	Overseas 95.24%		
	Africa 12.18%		
	South Africa Equities 12.18%		
10,663	Bidvest	164	1.91
3,318	Capitec Bank	40	0.46
61,982	FirstRand	127	1.48
2,959	Imperial	34	0.40
3,001	Kumba Iron Ore	76	0.88
5,236	Massmart	39	0.45
5,144	Mr Price	48	0.56
14,826	MTN	185	2.15
6,980	Remgro	83	0.97
14,730	RMB	41	0.48
15,869	Shoprite	149	1.74
3,931	Tiger Brands	60	0.70
		1,046	12.18
	Asia Pacific (Excluding Japan) 58.18%		
	China Equities 10.55%		
840	Baidu ADR	88	1.03
48,000	China Merchants Bank	62	0.72
163,000	CNOOC	183	2.13
19,500	Ping An Insurance	106	1.23
21,200	Sands China	105	1.22
113,000	Sun Art Retail	96	1.12
46,000	Tingyi Cayman Islands	80	0.93
32,000	Tsingtao Brewery	163	1.90
23,000	Wumart Stores	23	0.27
		906	10.55
	Hong Kong Equities 7.87%		
82,600	AIA	250	2.91
32,500	China Mobile	204	2.37
38,000	Hang Lung Properties	72	0.84
4,734	Jardine Matheson	150	1.75
		676	7.87
	India Equities 15.94%		
7,180	ACC	78	0.91
22,130	Ambuja Cements	39	0.45
9,150	Asian Paints	44	0.51
13,754	HDFC Bank ADR	289	3.36
23,580	Housing Development Finance	184	2.14
6,581	Infosys ADR	225	2.62
35,940	ITC	113	1.32

Portfolio statement (continued)

as at 31 December 2013

7,430	Kotak Mahindra Bank	53	0.62
Holding	Investment	Market Value £'000	Percentage of total net assets %
	India Equities (continued)		
7,190	Larsen & Toubro GDR	74	0.86
9,580	Mahindra & Mahindra GDR	84	0.98
8,760	Tata Consultancy Services	186	2.17
		1,369	15.94
	Indonesia Equities 2.95%		
344,778	Astra International	117	1.36
253,164	Bank Rakyat Indonesia Persero	91	1.06
34,464	Unilever Indonesia	45	0.53
		253	2.95
	Malaysia Equities 1.79%		
4,100	British American Tobacco Malaysia	48	0.56
29,500	Public Bank	106	1.23
		154	1.79
	South Korea Equities 10.67%		
14,050	Hyundai Motor GDR	497	5.79
1,062	Samsung Electronics ADR	419	4.88
		916	10.67
	Taiwan Equities 7.51%		
46,000	Delta Electronics	158	1.84
23,000	President Chain Store	96	1.12
36,777	Taiwan Semiconductor Manufacturing ADR	391	4.55
		645	7.51
	Thailand Equities 0.90%		
29,160	Siam Commercial Bank	77	0.90
	Europe 8.06%		
	Luxembourg Equities 2.07%		
6,752	Tenaris ADR	178	2.07
	Turkey Equities 1.50%		
25,150	KOC Holding	62	0.72
33,465	Turkiye Garanti Bankasi	67	0.78
		129	1.50
	Russia Equities 4.49%		
5,520	Magnit GDR	221	2.58
21,768	Sberbank of Russia ADR	164	1.91
		385	4.49

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
North American 2.67%			
Mexico Equities 2.67%			
22,499	Grupo Financiero Banorte SAB de CV	94	1.10
85,759	Wal-Mart de Mexico SAB de CV	135	1.57
		229	2.67
South America 14.15%			
Brazil Equities 13.36%			
50,440	AMBEV ADR	225	2.62
23,139	CCR	105	1.22
6,600	Cielo	111	1.29
13,483	Itau Unibanco Holding (Preference shares)	108	1.26
1,610	Itau Unibanco Holding ADR (Preference shares)	13	0.15
5,064	Lojas Renner	79	0.92
4,200	Marcopolo	5	0.06
19,628	Marcopolo (Preference shares)	26	0.31
13,776	Petroleo Brasileiro ADR	122	1.42
8,911	Ultrapar Participacoes	128	1.49
16,467	Vale ADR	139	1.62
10,797	WEG	86	1.00
		1,147	13.36
Chile Equities 0.79%			
4,836	Banco Santander Chile ADR	68	0.79
Investment assets		8,543	99.49
Net other assets		44	0.51
Total net assets		8,587	100.00

The sub-fund launched on 26 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 26 April 2013 to 31 December 2013

	Notes	26.04.13 to 31.12.13 £'000	26.04.13 to 31.12.13 £'000
Income			
Net capital losses	2		(824)
Revenue	3	117	
Expenses	4	(88)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		28	
Taxation	5	(11)	
Net revenue after taxation			17
Total return before distributions			(807)
Finance costs: Distributions	6		(17)
Change in net assets attributable to shareholders from investment activities			(824)

Statement of change in net assets attributable to shareholders

for the period from 26 April 2013 to 31 December 2013

	26.04.13 to 31.12.13 £'000	26.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	10,390	
Amounts paid on cancellation of shares	(1,004)	
		9,386
Change in net assets attributable to shareholders from investment activities		(824)
Retained distribution on accumulation shares		25
Closing net assets attributable to shareholders		8,587

The sub-fund launched on 26 April 2013, therefore no comparatives are included.
The notes on pages 270 to 275 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			8,543
Debtors	7	34	
Cash and bank balances	8	23	
Total other assets			57
Total assets			8,600
Liabilities			
Creditors	9	(13)	
Total liabilities			(13)
Net assets attributable to shareholders			8,587

The sub-fund launched on 26 April 2013, therefore no comparatives are included.
The notes on pages 270 to 275 form an integral part of these financial statements.

Notes to the financial statements

for the period from 26 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual JPM Emerging Markets Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net losses on investments comprise:

Losses on non-derivatives securities	(827)
Gains on currency contracts	6
Losses on forward currency contracts	(2)
Handling charges	(1)
Net capital losses on investments	(824)

26.04.13 to
31.12.13
£'000

3 Revenue

Bank and term deposit interest	2
Non-taxable overseas dividends	102
Taxable overseas dividends	13
Total revenue	117

26.04.13 to
31.12.13
£'000

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

80

80

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

1

Safe custody fees

3

4

Other expenses:

Administration fees

(6)

Audit fees

8

Investment adviser fees

2

4

Total expenses

88

* The Audit fee for the period, excluding VAT, was £6,600.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	26.04.13 to 31.12.13 £'000
Overseas tax suffered	11
Total current tax charge for the period (see note 5(b))	11
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	-

b) Factors affecting current tax charge for the period

	26.04.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	28
Corporation tax at 20%	6
Effects of:	
Excess management expenses for which no relief taken	15
Non-taxable overseas dividends	(21)
Overseas tax suffered	11
Total current tax charge for the period (see note 5(a))	11

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	26.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £257,726 which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	26.04.13 to 31.12.13 £'000
Final (31 December)	25
	25
Revenue deducted on cancellation of shares	3
Revenue received on issue of shares	(11)
Finance costs: Distributions	17
Finance costs: Interest	1
Total finance costs	18

Details of the final distribution per share are set out in the table on page 276.

7 Debtors

	31.12.13 £'000
Accrued revenue	1
Amounts receivable for issue of shares	33
Total debtors	34

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	23
Total cash and bank balances	23

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	11
Accrued expenses	2
Total creditors	13

Portfolio statement

as at 31 December 2013

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 268. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary	Non-monetary	Total
	exposures*	exposures	
	31.12.13	31.12.13	31.12.13
	£'000	£'000	£'000
Brazilian Real	-	648	648
Hong Kong Dollar	-	1,345	1,345
Indian Rupee	-	697	697
Indonesian Rupiah	-	252	252
Malaysian Ringgit	-	154	154
Mexican Peso	1	229	230
South African Rand	2	1,046	1,048
Taiwan Dollar	3	254	257
Thailand Baht	-	77	77
Turkish Lira	-	129	129
US Dollar	3	3,347	3,350
Total	9	8,178	8,187

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Brazilian Real	-	-	648	648
Hong Kong Dollar	-	-	1,345	1,345
Indian Rupee	-	-	697	697
Indonesian Rupiah	-	-	252	252
Malaysian Ringgit	-	-	154	154
Mexican Peso	1	-	229	230
South African Rand	2	-	1,046	1,048
Sterling	14	-	400	414
Taiwan Dollar	3	-	254	257
Thailand Baht	-	-	77	77
Turkish Lira	-	-	129	129
US Dollar	3	-	3,347	3,350
Total	23	-	8,578	8,601

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(14)	(14)
Total	-	(14)	(14)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual JPM Emerging Markets Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual JPM Emerging Markets Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 10.52% and 9.71% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 5.22%, 8.62% and 10.52%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs

	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		10,335
Commissions	5	
Other costs	3	
Total purchase costs		8
Gross purchases total		10,343

Analysis of total sale costs

Gross sales in the period before transaction costs		965
Commissions	(1)	
Total sale costs		(1)
Total sales net of transaction costs		964

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual JPM Emerging Markets Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 263.

Distribution table

Final distribution

Group 1: Shares purchased on 26 April 2013
 Group 2 : Shares purchased from 27 April 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.2603	-	0.2603
Group 2	0.0000	0.2603	0.2603

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual JPM Natural Resources Fund

Launch date	30 April 2013
Sector classification	Specialist
Investment adviser	JP Morgan Asset Management Limited
Net asset value	£44,165,755

Objective and policy

The sub-fund aims to invest primarily in the shares of companies throughout the world engaged in the production and marketing of commodities. The sub-fund aims to provide capital growth over the long term.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£44,165,755	46,378,563	95.23

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013		
Accumulation 'A'	103.3	85.50

* The sub-fund launched on 30 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.0000

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The last four months of 2013 witnessed a recovery in commodity related equities although they still underperformed the broader equity market. The recovery was driven by the more risk averse areas - oil & gas producers and base metal & bulk commodity producers. At the individual stock level, stand-out performers included Rio Tinto, Ferrexpo and Fortescue Metals. Within the sub-fund's energy holdings, DNO Petroleum was a stellar performer, rising over 75% after management announced that production from its Tawke 23 well surpassed any other wells so far drilled. Gold and precious metals was the only subsector to detract from absolute performance driven by the fall in the gold price (-13.8% in USD terms from 31 August – 31 December) although we were somewhat protected from this underperformance as a result of reducing our allocation to gold equities throughout 2013. Going forward we prefer those subsectors of the portfolio more likely to outperform in an environment of improving growth- namely base metals & bulk commodities and oil & gas. By contrast we remain cautious on gold until Exchange Traded Fund liquidations show signs of abating. We are nevertheless optimistic regarding the changes being implemented by new management teams within the sector. We think changes in senior leadership and the clear demands of shareholders have substantially raised the probability that companies will find a better balance between allocating the free cash flow for re-investment in new projects and returning cash to shareholders.

Old Mutual JPM Natural Resources Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 7 have in the past shown relatively high volatility. With a fund of category 7, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Sector concentration risk - the sub-fund typically invests in a limited number of investments. A fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller or newer companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	47.98%
Europe	18.46%
United Kingdom	18.15%
Asia Pacific (Excluding Japan)	12.33%
Africa	2.03%

Net other assets	1.05%
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Total	100.00%
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Asset allocation

Equities	98.95%
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Net other assets	1.05%
------------------	-------

Total	100.00%
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Major holdings

	Percentage of portfolio
Freeport-Mcmoran Copper	6.48%
Rio Tinto	6.00%
First Quantum Minerals	5.24%
Glencore Xstrata	5.16%
Royal Dutch Shell	3.27%
Anadarko Petroleum	3.23%
Dno International	3.02%
BHP Billiton	2.55%
Lundin Mining (Canada Listed)	2.34%
Petra Diamonds	2.29%

Number of holdings	167
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Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.67%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 18.15%		
	United Kingdom Equities 18.15%		
	Investment Companies 0.02%		
2,271,779	Pathfinder Minerals	8	0.02
	Mining 15.10%		
82,277	Antofagasta	681	1.54
76,105	Archipelago Metals	-	-
60,231	BHP Billiton	1,127	2.55
387,636	Cluf Gold	56	0.13
1,387,401	Firestone Diamonds	38	0.09
70,993	GEM Diamonds	103	0.23
246,583	Highland Gold	139	0.32
10,878	Jordan Energy Mining	26	0.06
57,941	Jubilee Platinum	2	-
80,145	Mantle Diamonds	2	-
190,951	Minera	21	0.05
1,832,542	Mwana Africa	22	0.05
65,077	Papua Mining	17	0.04
854,395	Petra Diamonds	1,010	2.29
15,902	Randgold Resources	593	1.34
77,666	Rio Tinto	2,652	6.00
1,967,233	Sable Mining Africa	180	0.41
291,346	Target Resources	-	-
		6,669	15.10
	Oil & Gas 3.03%		
143,740	3LEGS Resources	30	0.07
732,422	Amerisur Resources	436	0.99
49,463	Borders & Southern Petroleum	6	0.01
57,151	Eland Oil & Gas	59	0.13
238,772	Hurricane Exploration	239	0.54
65,357	Igas Energy	70	0.16
179,182	President Energy	60	0.14
577,221	Tethys Petroleum (Canada listed)	158	0.36
52,062	Tethys Petroleum (UK listed)	14	0.03
471,409	Trap Oil Group	42	0.10
26,000	Tullow Oil	223	0.50
		1,337	3.03
	Overseas 80.80%		
	Africa 2.03%		
	Africa Equities 2.03%		
	Sierra Leone Equities 1.59%		
59,303	Sierra Rutile	703	1.59
	South Africa Equities 0.44%		
25,699	Impala Platinum	181	0.41
235,968	Sylvania Platinum	14	0.03
		195	0.44

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Asia Pacific (Excluding Japan) 12.33%			
Asia Pacific (Excluding Japan) Equities 12.33%			
Australia Equities 11.39%			
373,897	African Petroleum	18	0.04
33,840	Altus Renewables	-	-
158,462	Aquarius Platinum	63	0.14
591,609	Armour Energy (Warrants)	47	0.11
543,180	Aurora Oil And Gas	885	2.00
313,828	Base Resources	70	0.16
329,208	Beach Energy	253	0.57
265,041	Beadell Resources	112	0.25
31,048	BHP Billiton	635	1.44
863,971	Cape Lambert Resources	61	0.14
37,863	Diamonex	-	-
139,280	Equatorial Resources	50	0.11
316,892	Fortescue Metals	995	2.25
294,564	Gascoyne Resources	23	0.05
212,610	Gryphon Minerals	19	0.04
91,527	Indophil Resources	8	0.02
1,199,327	International Petroleum	23	0.05
785,657	Kagara	-	-
126,089	Kalnorth Gold Mines	1	0.00
1,018,341	Marengo Mining	9	0.02
378,377	Mawson West	116	0.26
62,947	Mineral Deposits	82	0.19
196,000	Neon Energy	29	0.07
149,438	Norseman Gold	-	-
166,327	Northern Star Resources	70	0.16
1,678,970	Nyota Minerals	6	0.01
285,866	Oceanagold	245	0.56
739,068	Pancontinental Oil & Gas	24	0.05
72,886	Papillon Resources	38	0.09
531,910	Reed Resources	17	0.04
176,482	Rex Minerals	46	0.10
12,017	Rio Tinto	443	1.00
70,993	Sandfire Resources	247	0.56
174,927	Sarama Resources	9	0.02
71,543	Sayona Mining	-	-
95,545	Sirius Resources	117	0.27
913,491	Sundance Resources	47	0.11
326,782	Swan Gold Mining	-	-
573,627	Tiger Resources	106	0.24
69,100	Western Areas	88	0.20
41,921	Windimurra Vanadium	-	-
691,727	World Titanium Resources	30	0.07
		5,032	11.39
China Equities 0.36%			
146,000	Real Gold Mining	-	-
1,434,161	Sino Gas & Energy	155	0.35
56,730	Sino Gas & Energy (Placing November 2013)	6	0.01
		161	0.36

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Indonesia Equities 0.00%			
94	Timah	-	-
Mongolia Equities 0.07%			
363,000	Mongolian Mining	29	0.07
New Zealand Equities 0.20%			
888,857	Bathurst Resources	89	0.20
Papa New Guinea Equities 0.31%			
34,889	New Britain Palm Oil	138	0.31
Europe 18.46%			
Europe Equities 18.46%			
Ireland Equities 1.48%			
2,058,125	Kenmare Resources	427	0.97
998,321	Ormonde Mining	42	0.10
85,192	Providence Resources	183	0.41
		652	1.48
Netherlands Equities 5.53%			
140,093	Nostrum Oil & Gas	997	2.26
63,449	Royal Dutch Shell	1,445	3.27
		2,442	5.53
Norway Equities 3.02%			
552,777	Dno International	1,332	3.02
Russia Equities 0.28%			
12,324	Mmc Norilsk Nickel	124	0.28
Sweden Equities 1.59%			
59,303	Lundin Petroleum	701	1.59
Switzerland Equities 6.56%			
325,509	Ferrexpo	621	1.40
11,239	Ferrox (Warrants)	-	-
724,802	Glencore Xstrata	2,278	5.16
		2,899	6.56
North America 47.98%			
North America Equities 47.98%			
Canada Equities 32.63%			
35,092	Africa Oil	184	0.42
22,456	Alamos Gold	160	0.36
12,100	Alpha Exploration	-	-
111,223	AQM Copper (Warrants)	-	-
171,673	Asanko Gold	162	0.37
203,261	Augusta Resource (Canada listed)	171	0.39
26,977	Augusta Resource (United States listed)	23	0.05

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Canada Equities (continued)		
561,095	Aureus Mining	174	0.39
64,907	Aureus Mining (Warrants)	-	-
289,627	Banro	92	0.21
66,500	Barrick Gold	689	1.56
163,790	B2Gold	200	0.45
154,405	Calvalley Petroleum	156	0.35
21,405	Cameco	271	0.61
250,842	Canadian Overseas	-	-
84,200	Capstone Mining	142	0.32
61,581	Caracal Energy	271	0.61
53,718	Genovus Energy	923	2.09
113,255	Denison Mines	85	0.19
22,131	Dominion Diamond	189	0.43
145,536	Duluth Metals	65	0.15
63,268	Eastcoal	1	0.00
59,712	Eldorado Gold	200	0.45
212,835	First Quantum Minerals	2,315	5.24
319,987	Fission 3.0	36	0.08
319,987	Fisson Uranium	188	0.43
102,230	Global Atomic Fuels	74	0.17
32,170	Goldcorp	407	0.92
138,785	Gran Tierra Energy	605	1.37
42,000	Hudbay Minerals	207	0.47
1,153,638	Ivornia	85	0.19
22,929	Kennady Diamonds	64	0.14
2,900	Kennady Diamonds (Placing)	8	0.02
11,792	Kinross Gold (Warrants 17/09/2014)	-	-
183,162	Kinross Gold	473	1.07
128,776	Loncor Resources	8	0.02
549,338	Lucara Diamond	541	1.22
47,329	Lundin Mining	123	0.28
397,561	Lundin Mining Canada Listed	1,032	2.34
133,750	Mountain Province Diamonds	396	0.90
73,833	New Gold	224	0.51
64,840	Northern Star Mining	-	-
402,294	Northern Star Mining (Warrants)	-	-
10,507	Pan American Silver (Warrants)	-	-
511,150	Panoro Minerals	102	0.23
98,031	Parex Resources	368	0.83
751,669	Platinum Group Metals	496	1.12
94,657	Redox Diamonds (Warrants)	-	-
75,359	Regulus (Warrants)	-	-
52,499	Reservoir Minerals	148	0.34
367,446	Romarco Minerals	78	0.18
399,410	Romarco Minerals (Placing)	80	0.18
48,275	Silver Wheaton	584	1.32
39,188	Silvercrest Mines	39	0.09
57,031	Stans Energy (Warrants)	-	-
8,283	Stornoway Diamond (Warrants)	-	-
339,119	Strata-X Energy	62	0.14
11,500	Suncor Energy	241	0.55
33,458	Teck Resources	519	1.18
194,300	Trevali Mining	111	0.25
444,890	Tsar Emerald	-	-

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Canada Equities (continued)		
390,935	Westernzagros Resources	216	0.49
82,612	Yamana Gold	424	0.96
		14,412	32.63
	Cayman Islands Equities 0.31%		
243,506	Endeavour Mining	65	0.15
148,198	Leaf Clean Energy	70	0.16
		135	0.31
	Colombia Equities 0.37%		
254,648	Argos Resources	36	0.08
12,150	Pacific Rubiales Energy	129	0.29
		165	0.37
	United States of America 14.67%		
29,813	Anadarko Petroleum	1,427	3.23
9,200	Apache	480	1.09
8,400	Continental Resources	563	1.27
125,509	Freeport-McMoran Copper	2,861	6.48
309,172	Global Alumina	-	-
110,513	Mitra Energy	217	0.49
16,281	Occidental Petroleum	932	2.11
		6,480	14.67
	Investment assets	43,703	98.95
	Net other assets	463	1.05
	Total net assets	44,166	100.00

The sub-fund launched on 30 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 30 April 2013 to 31 December 2013

	Notes	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Income			
Net capital losses	2		(2,884)
Revenue	3	630	
Expenses	4	(564)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		65	
Taxation	5	(55)	
Net revenue after taxation			10
Total return before distributions			(2,874)
Finance costs: Distributions	6		(17)
Change in net assets attributable to shareholders from investment activities			(2,891)

Statement of change in net assets attributable to shareholders

for the period from 30 April 2013 to 31 December 2013

	30.04.13 to 31.12.13 £'000	30.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	59,007	
Amounts paid on cancellation of shares	(11,949)	
		47,058
Stamp duty reserve tax		(1)
Change in net assets attributable to shareholders from investment activities		(2,891)
Closing net assets attributable to shareholders		44,166

The sub-fund launched on 30 April 2013, therefore no comparatives are included.
The notes on pages 286 to 291 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			43,703
Debtors	7	87	
Cash and bank balances	8	586	
Total other assets			673
Total assets			44,376
Liabilities			
Creditors	9	(210)	
Total liabilities			(210)
Net assets attributable to shareholders			44,166

The sub-fund launched on 30 April 2013, therefore no comparatives are included.
The notes on pages 286 to 291 form an integral part of these financial statements.

Notes to the financial statements

for the period from 26 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual JPM Natural Resources Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net losses on investments comprise:

	30.04.13 to 31.12.13 £'000
Losses on non-derivatives securities	(2,854)
Losses on currency contracts	(26)
Gains on forward currency contracts	2
Handling charges	(6)
Net capital losses on investments	(2,884)

3 Revenue

	30.04.13 to 31.12.13 £'000
Bank and term deposit interest	1
Non-taxable overseas dividends	404
Taxable overseas dividends	5
UK dividends	220
Total revenue	630

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge	511
	511

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees	4
Safe custody fees	6
	10

Other expenses:

Administration fees	31
Audit fees	8
Legal fees	4
	43
Total expenses	564

* The Audit fee for the period, excluding VAT, was £6,800.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	30.04.13 to 31.12.13 £'000
Overseas tax suffered	55
Total current tax charge for the period (see note 5(b))	55
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	55

b) Factors affecting current tax charge for the period

	30.04.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	65
Corporation tax at 20%	13
Effects of:	
Excess management expenses for which no relief taken	112
Franked investment revenue at 20%	(44)
Non-taxable overseas dividends	(81)
Overseas tax suffered	55
Total current tax charge for the period (see note 5(a))	55

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	30.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £561,057, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	30.04.13 to 31.12.13 £'000
Final (31 December)	-
Revenue deducted on cancellation of shares	18
Revenue received on issue of shares	(1)
Finance costs: Distributions	17
Finance costs: Interest	1
Total finance costs	18
Reconciliation of distributions:	
Net revenue after taxation	10
Revenue deficit transferred from capital	7
Finance costs: Distributions	17

Details of the final distributions per share are set out in the table on page 292.

7 Debtors

	31.12.13 £'000
Accrued revenue	17
Amounts receivable for issue of shares	67
Overseas tax recoverable	3
Total debtors	87

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	586
Total cash and bank balances	586

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	56
Accrued Depositary's fees	1
Accrued expenses	41
Amounts payable for cancellation of shares	112
Total creditors	210

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 284. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	-	5,206	5,206
Canadian Dollar	-	12,383	12,383
Hong Kong Dollar	4	29	33
Norwegian Krone	-	1,333	1,333
South African Rand	2	181	183
Swedish Krona	-	1,008	1,008
US Dollar	12	9,856	9,868
Total	18	29,996	30,014

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Australian Dollar	-	-	5,206	5,206
Canadian Dollar	-	-	12,383	12,383
Hong Kong Dollar	4	-	29	33
Norwegian Krone	-	-	1,333	1,333
South African Rand	2	-	181	183
Sterling	568	-	13,794	14,362
Swedish Krona	-	-	1,008	1,008
US Dollar	12	-	9,856	9,868
Total	586	-	43,790	44,376

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(210)	(210)
Total	-	(210)	(210)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual JPM Natural Resources Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual JPM Natural Resources Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 18.09% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 15.40%, 17.54% and 18.09%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13. Portfolio transaction costs

Analysis of total purchase costs

	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		67,502
Commissions	3	
Other costs	9	
Total purchase costs		12
Gross purchases total		67,514

Analysis of total sale costs

Gross sales in the period before transaction costs		20,979
Commissions	(20)	
Total sale costs		(20)
Total sales net of transaction costs		20,959

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual JPM Natural Resources Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 277.

Distribution Table

Final distribution

Group 1: Shares purchased on 30 April 2013
 Group 2 : Shares purchased from 1 May 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Newton Global Higher Income Fund

Launch date	26 April 2013
Sector classification	Specialist
Investment adviser	Newton Investment Management Limited
Net asset value	£51,687,117

Objective and policy

The sub-fund aims to achieve increasing annual income together with long-term capital growth from investing predominantly in global securities. The sub-fund may also invest in collective investment schemes.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£51,687,117	52,534,813	98.39

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	105.0	94.54

* The sub-fund launched on 26 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2013*	
Accumulation 'A'	0.8130
2014**	
Accumulation 'A'	0.6408

* The sub-fund launched on 26 April 2013.

** to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

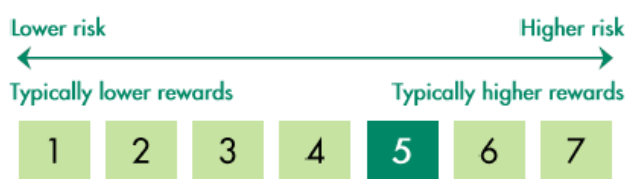
Investment Manager's review

Over the period since inception, cyclical – more economically sensitive – sectors, to which the sub-fund has underweight exposure, performed well, flattered by increasing market confidence. In particular, the financials sector was a prominent area of underperformance, not only on account of the sub-fund's limited exposure, but also because of holdings such as Annaly Capital Management, which struggled over the period. Elsewhere, among other holdings with 'defensive' – less economically sensitive – characteristics, utilities companies underperformed. The sub-fund's position in UK firm SSE was of further detriment to performance, amid negative political rhetoric surrounding energy prices. Other poor contributors included Sysco, Philip Morris, and Reynolds American, all of which exhibit stable, less economically-sensitive characteristics. Accordingly, holdings with greater economic sensitivity flourished: Deutsche Post, Lockheed Martin, and Deutsche Telekom were all beneficial to performance.

In terms of new additions, the manager initiated holdings in Vodafone Group and Dexux Property Group. When Vodafone completes the sale of Verizon Wireless in the first quarter of 2014, it will have a strong balance sheet and the capacity to invest in order to differentiate its network at a time when several European peers are financially stretched. Importantly, the sale of Verizon Wireless creates a unique European and emerging-market business. Meanwhile, Dexux provides exposure to the Australian prime-office market. Sales and reductions were focused upon holdings, which have performed well. In the healthcare sector, the manager sold AbbVie, while in aerospace and defence the sub-fund reduced its position in Lockheed Martin. The manager also introduced CA, an IT company perceived to be in terminal decline owing to its mainframe core business. However, the manager believes the business is more robust, that its clients are effectively locked in and that cash generation is very strong.

Old Mutual Newton Global Higher Income Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 5 have in the past shown moderately high volatility. With a sub-fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Emerging markets risk - less developed countries may face more political, economic or structural challenges than developed countries.

Sector concentration risk - the sub-fund's investments are concentrated in natural resources companies, and may be subject to a greater degree of risk and volatility than a fund following a more diversified strategy.

Smaller companies risk - smaller or newer companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the income of the sub-fund in the first instance. The impact of fund charges may be material on the value of any income you receive from your investment. There is potential for capital erosion if insufficient income is generated by the sub-fund to cover these charges.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	38.96%
Europe	36.81%
United Kingdom	14.18%
Asia Pacific (Excluding Japan)	6.77%
Africa	2.02%
South America	1.28%

Net other assets	(0.02)%
------------------	---------

Total	100.00%
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Asset allocation

Equities	100.05%
Derivatives	(0.03)%

Net other assets	(0.02)%
------------------	---------

Total	100.00%
--------------	----------------

Major holdings

	Percentage of portfolio
Philip Morris International	4.75%
Microsoft	4.28%
Reynolds American	3.92%
Sysco	3.37%
Novartis	3.10%
GlaxoSmithKline	3.08%
Roche	3.05%
Orkla	2.26%
Reed Elsevier	2.26%
SSE	2.25%

Number of holdings	57
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Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.62%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 14.18%		
	United Kingdom Equities 14.18%		
121,446	BAE Systems	527	1.02
269,549	Balfour Beatty	776	1.50
877,454	Cable & Wireless	495	0.96
304,185	Centrica	1,055	2.04
98,739	GlaxoSmithKline	1,591	3.08
139,187	ICAP	624	1.20
85,105	SSE	1,159	2.25
462,893	Vodafone	1,101	2.13
		7,328	14.18
	Africa 2.02%		
	South Africa Equities 2.02%		
45,401	MTN	566	1.09
136,610	Macquarie Korea Infrastructure Fund	479	0.93
		1,045	2.02
	Asia Pacific (Excluding Japan) 6.77%		
	Australia Equities 0.96%		
911,944	Dexus Property	496	0.96
	Hong Kong Equities 2.87%		
156,000	China Mobile	977	1.89
173,500	Link REIT	508	0.98
		1,485	2.87
	Singapore Equities 1.03%		
282,000	Singapore Technologies Engineering	531	1.03
	Taiwan Equities 1.01%		
49,370	Taiwan Semiconductor Manufacturing ADR	525	1.01
	Thailand Equities 0.90%		
142,000	Bangkok Bank	463	0.90
	Europe 36.81%		
	Denmark Equities 2.22%		
195,169	TDC	1,146	2.22
	France Equities 4.17%		
8,624	Sanofi	552	1.07
49,486	Suez Environnement	539	1.04
28,612	Total	1,062	2.06
		2,153	4.17
	Germany Equities 3.85%		
49,858	Deutsche Post	1,105	2.14
85,353	Deutsche Telekom	886	1.71
		1,991	3.85

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Ireland Equities 0.57%		
19,296	CRH	295	0.57
	Luxembourg Equities 1.09%		
28,705	SES	563	1.09
	Netherlands Equities 6.99%		
91,048	Reed Elsevier	1,165	2.26
39,726	Royal Dutch Shell	860	1.66
42,313	Unilever	1,032	2.00
32,119	Wolters Kluwer	554	1.07
		3,611	6.99
	Norway Equities 4.37%		
247,422	Orkla	1,166	2.26
74,592	Statoil	1,092	2.11
		2,258	4.37
	Sweden Equities 2.08%		
213,298	TeliaSonera	1,077	2.08
	Switzerland Equities 11.47%		
29,182	Credit Suisse	540	1.04
13,788	Nestle	611	1.18
33,137	Novartis	1,601	3.10
9,312	Roche	1,575	3.05
2,190	Syngenta	528	1.02
6,128	Zurich Insurance	1,075	2.08
		5,930	11.47
	North America Equities 38.96%		
	Canada Equities 2.13%		
58,627	Husky Energy	1,103	2.13
	United States of America Equities 36.86%		
92,661	Annaly Capital Management	548	1.06
42,903	CA	874	1.69
18,928	Clorox	1,073	2.08
23,836	ConocoPhillips	1,008	1.95
7,435	Lockheed Martin	661	1.28
29,964	Mattel	867	1.68
35,278	Merck & Co	1,066	2.06
98,033	Microsoft	2,211	4.28
20,670	Northeast Utilities	530	1.03
40,148	Paychex	1,109	2.15
67,744	PDL BioPharma	347	0.67
52,657	Pfizer	978	1.89
46,871	Philip Morris International	2,456	4.75
20,886	Procter & Gamble	1,036	2.00
67,310	Reynolds American	2,028	3.92
78,513	Sysco	1,742	3.37
93,187	Two Harbors Investment	519	1.00
		19,053	36.86

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
North America Derivatives (0.03%)			
US Dollar Open Forward Exchange Contracts (0.03%)			
\$759,762	US Dollar v Brazilian Real Forward Exchange Contract	20	0.04
\$3,114,500	US Dollar v Euro Forward Exchange Contract	(36)	(0.07)
		(16)	(0.03)
South America Equities 1.28%			
Brazil Equities 1.28%			
126,553	CCR	573	1.11
18,768	Transmissora Alianca de Energia Eletrica	88	0.17
		661	1.28
Investment assets*		51,698	100.02
Net other liabilities		(11)	(0.02)
Total net assets		51,687	100.00

* Including investment liabilities

The sub-fund launched on 26 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 26 April 2013 to 31 December 2013

		26.04.13 to 31.12.13 £'000	26.04.13 to 31.12.13 £'000
	Notes		
Income			
Net capital losses	2		(158)
Revenue	3	1,349	
Expenses	4	(524)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		824	
Taxation	5	(117)	
Net revenue after taxation			707
Total return before distributions			549
Finance costs: Distributions	6		(1,180)
Change in net assets attributable to shareholders from investment activities			(631)

Statement of change in net assets attributable to shareholders

for the period from 26 April 2013 to 31 December 2013

	26.04.13 to 31.12.13 £'000	26.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	62,448	
Amounts paid on cancellation of shares	(10,127)	
		52,321
Undistributed Income		
Stamp duty reserve tax		(3)
Change in net assets attributable to shareholders from investment activities		(631)
Closing net assets attributable to shareholders		51,687

The sub-fund launched on 26 April 2013, therefore no comparatives are included.
The notes on pages 300 to 305 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			51,734
Debtors	7	176	
Cash and bank balances	8	336	
Total other assets			512
Total assets			52,246
Liabilities			
Investment liabilities			(36)
Creditors	9	(186)	
Distribution payable on income shares		(337)	
Total other liabilities			(523)
Total liabilities			(559)
Net assets attributable to shareholders			51,687

The sub-fund launched on 26 April 2013, therefore no comparatives are included.
The notes on pages 300 to 305 form an integral part of these financial statements.

Notes to the financial statements

for the period from 26 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Newton Global Higher Income Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital losses

The net gains on investments comprise:

Losses on non-derivatives securities

Losses on currency contracts

Losses on forward currency contracts

Handling charges

Net capital losses on investments

26.04.13 to

31.12.13

£'000

(106)

(42)

(21)

11

(158)

3 Revenue

Bank and term deposit interest

Interest from UK debt securities

Non-taxable overseas dividends

Taxable overseas dividends

UK dividends

Total revenue

26.04.13 to

31.12.13

£'000

4

20

951

123

251

1,349

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

26.04.13 to

31.12.13

£'000

485

485

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

Safe custody fees

4

1

5

Other expenses:

Administration fees

Audit fees

Legal fees

24

9

1

34

Total expenses

524

* The Audit fee for the period, excluding VAT, was £7,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	26.04.13 to 31.12.13 £'000
Overseas tax suffered	117
Total current tax charge for the period (see note 5(b))	117
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	117

b) Factors affecting current tax charge for the period

	26.04.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	824
Corporation tax at 20%	165
Effects of:	
Excess management expenses for which no relief taken	85
Franked investment revenue at 20%	(50)
Movement in revenue accruals taxable on receipt	(6)
Non-taxable overseas dividends	(192)
Overseas tax suffered	117
Overseas tax expensed	(2)
Total current tax charge for the period (see note 5(a))	117

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	26.04.13 to 31.12.13
Deferred tax at start of the period	-
Deferred tax charge for the period	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £392,329, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	26.04.13 to 31.12.13 £'000
Interim (30 June)	876
Final (31 December)	337
	1,213
Revenue deducted on cancellation of shares	29
Revenue received on issue of shares	(62)
Finance costs: Distributions	1,180
Finance costs: Interest	1
Total finance costs	1,181
Reconciliation of distributions:	
Net revenue after taxation	707
Capitalised fees	485
Tax relief on capitalised fees	(12)
Finance costs: Distributions	1,180

Details of the interim and final distributions per share are set out in the table on page 306.

7 Debtors

	31.12.13 £'000
Accrued revenue	148
Currency contracts receivable	13
Overseas tax recoverable	15
Total debtors	176

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	336
Total cash and bank balances	336

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	61
Accrued expenses	24
Amounts payable for cancellation of shares	84
Currency contracts payable	13
Purchases awaiting settlement	4
Total creditors	186

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 298. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Australian Dollar	-	496	496
Brazilian Real	5	208	213
Canadian Dollar	-	1,103	1,103
Danish krone	-	1,146	1,146
Euro	20	6,648	6,668
Hong Kong Dollar	-	1,485	1,485
Norwegian Krone	-	2,265	2,265
Singapore Dollar	-	531	531
South African Rand	-	566	566
South Korean Won	-	478	478
Swedish Krona	-	1,077	1,077
Swiss Franc	-	5,931	5,931
Thai Baht	-	463	463
US Dollar	13	21,975	21,988
Total	38	44,372	44,410

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Australian Dollar	-	-	496	496
Brazilian Real	5	-	661	666
Canadian Dollar	-	-	1,103	1,103
Danish krone	-	-	1,146	1,146
Euro	20	-	8,620	8,640
Hong Kong Dollar	-	-	1,485	1,485
Norwegian Krone	-	-	2,265	2,265
Singapore Dollar	-	-	531	531
South African Rand	-	-	566	566
South Korean Won	-	-	478	478
Sterling	298	-	7,489	7,787
Swedish Krona	-	-	1,077	1,077
Swiss Franc	-	-	5,931	5,931
Thai Baht	-	-	463	463
US Dollar	13	-	21,988	22,001
Total	336	-	54,299	54,635

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Brazilian Real	-	(453)	(453)
Euro	-	(1,972)	(1,972)
Sterling	-	(510)	(510)
US Dollar	-	(13)	(13)
Total	-	(2,948)	(2,948)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Newton Global Higher Income Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Newton Global Higher Income Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 7.33% and 7.36% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 4.88%, 6.85% and 7.33%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13. Portfolio transaction costs

Analysis of total purchase costs

	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		66,324
Commissions	15	
Other costs	22	
Total purchase costs		37
Gross purchases total		66,361

Analysis of total sale costs

Gross sales in the period before transaction costs		14,554
Commissions	(11)	
Other costs	(1)	
Total sale costs		(12)
Total sales net of transaction costs		14,542

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Newton Global Higher Income Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 293.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2 : Shares purchased from 1 July 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.6408	-	0.6408
Group 2	0.1893	0.4515	0.6408

Interim distribution

Group 1: Shares purchased on 26 April 2013
 Group 2 : Shares purchased from 1 May 2013 to 30 June 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Accumulation 'A' Shares			
Group 1	0.8130	-	0.8130
Group 2	0.5483	0.2647	0.8130

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Schroder Tokyo Fund

Launch date	1 March 2013
Sector classification	Specialist
Investment adviser	Schroder Investment Management Limited
Net asset value	£40,512,197

Objective

The sub-fund aims to achieve capital through participation in the growth of the Japanese economy.

Policy

Investment will be based primarily on Japan's economic strengths such as its manufacturing industry (in particular on those parts of it that are demonstrating an ability to exploit newly emerging technology) and on sectors benefiting from structural change in the economy. Investment will be in directly held transferable securities. The sub-fund will also invest in collective investment schemes, warrants and money market instruments.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£40,512,197	37,398,323	108.33

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	116.2	98.80

* The sub-fund launched on 1 March 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.4386

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

Japanese equities recorded a stellar 2013, with the much-publicised 'Abenomics' helping the TOPIX deliver returns of 54.2% in Yen terms, although this was offset somewhat by the depreciation of the Yen relative to sterling. Strong stock selection in chemicals and construction were leading contributors to performance, while unproductive stock selection in retail trade was the fund's top detractor. The fund's leading stock contributor over the period was telecoms operator KDDI Corporation, which was up strongly as its share price hit a 13-year high on the back of its positive forecast – driven by an increase in its average revenue per user. Meanwhile, among the fund's top stock detractors was electronics retailer Yamada Denki. Its share price was up for the year but relative returns were hampered by a decline in its profit margin.

Given a tightening labour market, increasing capital expenditure, steady economic recovery and renewed inflation the manager retains a positive view of the Japanese market. With the economy emerging from deflation, wage growth is key if Abenomics is to gain traction, as real incomes are currently falling. Leading indicators for the labour market and anecdotal evidence are positive in this regard. End of year bonuses, and even more important spring wage negotiations, should provide encouragement and furnish a positive market backdrop. Near term risks include a rise in the consumption tax and renewed friction with China. Positive global growth should also bode well for an increase in exports helped in turn by an increase in regional export volumes.

Old Mutual Schroder Tokyo Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk - a fall in the Japanese market may have a significant impact on the value of the sub-fund because it invests primarily in this market.

Smaller companies risk - smaller or newer companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet their contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Japan	100.08%
Net other liabilities	(0.08)%
Total	100.00%

Asset allocation

Equities	100.08%
Net other liabilities	(0.08)%
Total	100.00%

Major holdings

	Percentage of portfolio
Toyota Motor	5.38%
Sumitomo Mitsui Financial	3.50%
Bridgestone	3.29%
Mitsui	3.29%
KDDI	3.04%
East Japan Railway	2.91%
SK Kaken	2.89%
HI-LEX	2.85%
NKSJ	2.82%
Mitsubishi UFJ Financial	2.68%

Number of holdings

87

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.66%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 100.08%		
	Japan 100.08%		
	Japan Equities 100.08%		
144,000	77 Bank	422	1.04
14,200	ABC-Mart	376	0.93
6,500	Aeon Delight	76	0.19
60,000	Asahi Glass	226	0.56
7,600	Asics	79	0.20
6,700	Astellas Pharma	240	0.59
45,000	AT-Group	463	1.14
58,100	Bridgestone	1,331	3.29
37,000	Canon	709	1.75
6,300	Central Japan Railway	449	1.11
32,000	Chiba Bank	131	0.32
54,900	Chubu-Nippon Broadcasting	182	0.45
98,000	Daikyo	161	0.40
6,800	Don Quijote	249	0.61
24,400	East Japan Railway	1,177	2.91
15,200	FUJIFILM	261	0.64
156,000	Fujitsu	489	1.21
123,000	Fukuoka Financial	326	0.80
68,700	Haseko	317	0.78
81,300	HI-LEX	1,154	2.85
120,000	Hitachi	550	1.36
33,100	Hitachi High-Technologies	503	1.24
33,000	Hitachi Transport System	298	0.74
30,000	Honda Motor	748	1.85
28,000	Hoya	471	1.16
81,000	Inabata	536	1.32
22,400	Inpex	174	0.43
19,100	ITOCHU	143	0.35
17,700	Japan Airlines	529	1.31
14,400	JFE	208	0.51
23,000	JGC	547	1.35
11,200	JSR	131	0.32
25,000	JTEKT	258	0.64
200,100	JX	623	1.54
37,000	Kaneka	147	0.36
33,100	KDDI	1,232	3.04
15,600	Kissei Pharmaceutical	232	0.57
41,000	Koito Manufacturing	474	1.17
66,500	Konica Minolta	401	0.99
24,600	Mitsubishi	286	0.71
40,000	Mitsubishi Electric	304	0.75
271,400	Mitsubishi UFJ Financial	1,084	2.68
158,000	Mitsui	1,331	3.29
21,000	Mitsui Fudosan	457	1.13
112,000	Mitsui OSK Lines	305	0.75
12,000	Moshi Moshi Hotline	78	0.19
5,100	Musashino Bank	103	0.25
8,200	Nabtesco	114	0.28
28,400	Nafco	260	0.64
8,600	Nidec	510	1.26

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Japan Equities (continued)			
8,000	Nintendo	645	1.59
52,000	Nippon Soda	200	0.49
28,300	Nippon Telegraph & Telephone	922	2.28
91,000	Nippon Thompson	305	0.75
14,400	Nitto Denko	367	0.91
67,800	NKSJ	1,142	2.82
141,000	Nomura	657	1.62
6,300	Okinawa Electric Power	128	0.32
14,300	Otsuka	250	0.62
81,200	Sakata INX	467	1.15
41,000	Sanki Engineering	155	0.38
12,600	Sankyo	352	0.87
48,000	Sankyu	113	0.28
12,800	Santen Pharmaceutical	361	0.89
72,000	Sekisui Chemical	534	1.32
35,100	Seven & I	844	2.08
48,000	Shimadzu	253	0.62
5,800	Shimamura	329	0.81
32,000	SK Kaken	1,171	2.89
50,200	Sumitomo	382	0.94
44,200	Sumitomo Electric Industries	446	1.10
136,000	Sumitomo Heavy Industries	379	0.94
45,400	Sumitomo Mitsui Financial	1,416	3.50
9,400	Suntory Beverage & Food	182	0.45
108,500	T&D	918	2.27
19,200	T&K Toka	254	0.63
7,300	Takeda Pharmaceutical	203	0.50
28,200	TDK	818	2.02
52,900	TECHNO ASSOCIE	329	0.81
64,300	Tokai Tokyo Financial	376	0.93
10,000	Tokyo Electron	331	0.82
59,000	Toyota Motor	2,179	5.38
12,800	Tsumura	206	0.51
20,500	Unipres	233	0.58
8,300	Xebio	97	0.24
239,700	Yamada Denki	474	1.17
22,100	Yamato	271	0.67
		40,544	100.08
Investment assets		40,544	100.08
Net other liabilities		(32)	(0.08)
Total net assets		40,512	100.00

The sub-fund launched on 1 March 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 March 2013 to 31 December 2013

	Notes	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Income			
Net capital gains	2		3,444
Revenue	3	863	
Expenses	4	(603)	
Finance costs: Interest	6	-	
Net revenue before taxation		260	
Taxation	5	(65)	
Net revenue after taxation			195
Total return before distributions			3,639
Finance costs: Distributions	6		(195)
Change in net assets attributable to shareholders from investment activities			3,444

Statement of change in net assets attributable to shareholders

for the period from 1 March 2013 to 31 December 2013

	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	45,929	
Amounts paid on cancellation of shares	(9,025)	
		36,904
Change in net assets attributable to shareholders from investment activities		3,444
Retained distribution on accumulation shares		164
Closing net assets attributable to shareholders		40,512

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 313 to 318 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			40,544
Debtors	7	88	
Cash and bank balances	8	77	
Total other assets			165
Total assets			40,709
Liabilities			
Creditors	9	(197)	
Total liabilities			(197)
Net assets attributable to shareholders			40,512

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 313 to 318 form an integral part of these financial statements.

Notes to the financial statements

for the period from 1 March 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Schroder Tokyo Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Handling charges

Net capital gains on investments

01.03.13 to

31.12.13

£'000

3,492

(40)

(8)

3,444

3 Revenue

Non-taxable overseas dividends

Total revenue

01.03.13 to

31.12.13

£'000

863

863

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

549

549

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

5

Safe custody fees

2

7

Other expenses:

Administration fees

38

Audit fees

9

47

Total expenses

603

* The Audit fee for the period, excluding VAT, was £7,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	01.03.13 to 31.12.13 £'000
Overseas tax suffered	65
Total current tax charge for the period (see note 5(b))	65
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	65

b) Factors affecting current tax charge for the period

	01.03.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	260
Corporation tax at 20%	52
Effects of:	
Excess management expenses for which no relief taken	129
Non-taxable overseas dividends	(181)
Overseas tax suffered	65
Total current tax charge for the period (see note 5(a))	65

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.03.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £645,800, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.03.13 to 31.12.13 £'000
Final (31 December)	164
Revenue deducted on cancellation of shares	164
Revenue received on issue of shares	39
	(8)
Finance costs: Distributions	195
Finance costs: Interest	-
Total finance costs	195

Details of the final distributions per share are set out in the table on page 319.

7 Debtors

	31.12.13 £'000
Accrued revenue	38
Amounts receivable for issue of shares	10
Sales awaiting settlement	40
Total debtors	88

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	77
Total cash and bank balances	77

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	52
Accrued expenses	48
Amounts payable for cancellation of shares	97
Total creditors	197

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 311. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Japanese Yen	7	40,584	40,591
Total	7	40,584	40,591

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Japanese Yen	7	-	40,584	40,591
Sterling	70	-	48	118
Total	77	-	40,632	40,709

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(197)	(197)
Total	-	(197)	(197)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-fund will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on the sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the year enter into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		45,850
Commissions	2	
Total purchase costs		2
Gross purchases total		45,852
 Analysis of total sale costs		
Gross sales in the period before transaction costs		8,798
Commissions	(5)	
Total sale costs		(5)
Total sales net of transaction costs		8,793

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Schroder Tokyo Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 307.

Distribution table

Final distribution

Group 1: Shares purchased on 1 March 2013
 Group 2 : Shares purchased from 2 March 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.4386	-	0.4386
Group 2	0.0000	0.4386	0.4386

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Schroder US Mid Cap Fund

Launch date	1 March 2013
Sector classification	IMA North America
Investment adviser	Schroder Investment Management Limited
Net asset value	£15,757,831

Objective

The sub-fund aims to provide capital growth and income primarily through investment in equity securities of medium-sized US companies.

Policy

Investment will be in directly held transferable securities. The sub-fund may also invest in collective investment schemes, warrants and money market instruments.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	15,757,831	13,841,604	113.84p

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	114.3	97.84

* The sub-fund launched on the 1 March 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.0000

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

Medium-sized US companies produced strong returns and outperformed larger companies over the period under review. Despite this the sub-fund underperformed its benchmark. The largest detractor from returns was Yamana Gold, which fell on the back of a declining gold price. Our position in Apartment Investment and Management Company also hurt performance. The real estate sector lagged the wider market as higher-yielding equities fell out of favour, although the company's most recent earnings report was regarded as solid. By contrast, overall stock selection, particularly in the consumer discretionary sector, added value. The largest contributor to returns was Towers Watson after its shares rose thanks to gaining key clients in its private healthcare exchange. There were no material changes in the sub-fund composition over the period.

We believe the US economy is in a slow growth phase. However, the portfolio is driven by bottom-up analysis and we continue to focus on identifying investment opportunities in areas related to housing, auto manufacturing, and those companies that are beneficiaries of the burgeoning energy discoveries in the US. As we enter 2014 a key factor will be interest rates. The question is not whether they will rise, but rather how will that occur? If the rate rises are moderate and steady, this will reflect a growing strength in the US economy which will merit higher rates. However, if we have unexpected and/or sharp spikes in rates this will be negative for equities. At the moment we do not see inflationary forces at play that could cause this.

Old Mutual Schroder US Mid Cap Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk - a fall in the US and Canadian markets may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Smaller companies risk - smaller or newer companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

Liquidity risk - some investments may become hard to sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	93.87%
Net other assets	6.13%
Total	100.00%

Asset allocation

Equities	93.87%
Net other assets	6.13%
Total	100.00%

Major holdings

Percentage of portfolio

PartnerRe	1.73%
Sealed Air	1.71%
Snap-on	1.70%
Vantiv	1.67%
Life Technologies	1.64%
Ryder System	1.63%
VeriSign	1.47%
Fossil	1.39%
Berry Plastics	1.35%
CareFusion	1.35%

Number of holdings

110

Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'***	1.67%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	North America Equities 93.87%		
	Bermuda Equities 1.73%		
4,301	PartnerRe	272	1.73
	Canada Equities 1.21%		
8,400	BRP	145	0.92
8,805	Yamana Gold	45	0.29
		190	1.21
	United States of America Equities 90.93%		
2,600	Advance Auto Parts	172	1.09
976	Affiliated Managers	127	0.81
3,283	AGCO	116	0.74
2,215	Airgas	150	0.95
4,606	Alaska Air	201	1.28
8,427	Amdocs	209	1.33
12,521	Apartment Investment & Management	198	1.26
5,636	Applied Industrial Technologies	168	1.07
5,962	Arrow Electronics	194	1.23
20,321	Atmel	96	0.61
6,556	Avnet	174	1.10
3,423	Bally Technologies	160	1.01
14,685	Berry Plastics	213	1.35
5,100	Brunswick	140	0.89
8,775	CareFusion	213	1.35
2,600	Carlisle Cos	125	0.79
1,238	Casey's General Stores	53	0.34
7,400	CDW Corp/DE	104	0.66
1,500	CLARCOR	58	0.37
4,725	Commerce Bancshares	128	0.81
598	Concho Resources	39	0.25
3,100	CoreLogic Inc/United States	67	0.43
2,949	Crown	79	0.50
2,337	Cullen/Frost Bankers	105	0.67
19,376	Denbury Resources	190	1.21
3,367	DENTSPLY International	99	0.63
2,579	Domino's Pizza	109	0.69
4,271	Douglas Emmett	61	0.39
1,383	Dover	81	0.51
3,952	Elizabeth Arden	84	0.53
2,633	Energen	112	0.71
4,484	Envision Healthcare	94	0.60
1,835	Equity Lifestyle Properties	40	0.25
11,684	First Horizon National	82	0.52
2,736	First Republic Bank	87	0.55
6,625	Fortune Brands Home & Security	183	1.16
3,000	Fossil	219	1.39
7,500	Gannett	135	0.86
2,944	Gartner	126	0.80
240	Graham	96	0.61
4,401	Hanesbrands	185	1.17
2,703	Harman International Industries	134	0.85

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States of America Equities (continued)		
7,047	HCC Insurance	195	1.24
2,051	Henry Schein	142	0.90
6,533	Hexcel	177	1.12
29,446	Huntington Bancshares	171	1.08
3,919	IDEX	174	1.10
14,796	Integrated Device Technology	91	0.58
4,412	Jack in Box	133	0.84
11,187	JDS Uniphase	88	0.56
10,100	KAR Auction Services	179	1.14
4,100	Laclede	113	0.72
545	Liberty Media	48	0.30
5,657	Life Technologies	259	1.64
3,670	LifePoint Hospitals	117	0.74
5,235	Linear Technology	143	0.91
5,161	LKQ	101	0.64
1,165	Martin Marietta Materials	71	0.45
2,624	Masimo	47	0.30
3,800	Microchip Technology	102	0.65
3,800	MICROS Systems	131	0.83
7,500	NorthWestern	197	1.25
1,231	Oil States International	75	0.48
6,896	PAREXEL International	189	1.20
5,762	PennyMac Mortgage Investment Trust	80	0.51
5,200	Pitney Bowes	74	0.47
5,258	Portland General Electric	96	0.61
5,739	Premier	129	0.82
4,300	ProAssurance	125	0.79
9,987	PTC	207	1.31
4,427	Questar	61	0.39
5,113	Quintiles Transnational	144	0.91
4,359	Raymond James Financial	136	0.86
3,396	Regal-Beloit	152	0.96
2,757	Reinsurance of America	128	0.81
2,739	Reliance Steel & Aluminum	125	0.79
6,980	Republic Services	141	0.89
6,921	Rollins	127	0.81
3,349	Ross Stores	150	0.95
5,764	Ryder System	257	1.63
3,038	Salix Pharmaceuticals	163	1.03
6,000	Santarus	116	0.74
2,453	SBA Communications	133	0.84
13,036	Sealed Air	269	1.71
2,967	Sirona Dental Systems	127	0.81
5,474	Six Flags Entertainment	121	0.77
4,073	Snap-on	268	1.70
3,800	Sotheby's	121	0.77
2,003	Spirit Airlines	55	0.35
6,409	Synopsys	157	1.00
3,700	Terex	93	0.59
2,179	Torchmark	103	0.65
941	Towers Watson	72	0.46

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United States of America Equities (continued)		
3,919	Universal Health Services	190	1.21
6,002	Unum	127	0.81
6,500	Urban Outfitters	147	0.93
13,581	Vantiv	264	1.67
6,451	VeriSign	231	1.47
4,429	Verisk Analytics	177	1.12
7,128	Waste Connections	187	1.19
5,500	Westar Energy	107	0.68
10,189	WhiteWave Foods	142	0.90
5,915	WR Berkley	155	0.98
1,709	Wright Medical	32	0.20
3,600	Xylem	75	0.48
2,900	Zebra Technologies	95	0.60
6,756	Zions Bancorporation	122	0.77
		14,330	90.93
	Investment assets	14,792	93.87
	Net other assets	966	6.13
	Total net assets	15,758	100.00

The sub-fund launched on 1 March 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 March 2013 to 31 December 2013

		01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
	Notes		
Income			
Net capital gains	2		2,165
Revenue	3	140	
Expenses	4	(215)	
Finance costs: Interest	6	-	
Net expense before taxation		(75)	
Taxation	5	(20)	
Net expense after taxation			(95)
Total return before distributions			2,070
Finance costs: Distributions	6		-
Change in net assets attributable to shareholders from investment activities			2,070

Statement of change in net assets attributable to shareholders

for the period from 1 March 2013 to 31 December 2013

	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	18,019	
Amounts paid on cancellation of shares	(4,331)	
		13,688
Change in net assets attributable to shareholders from investment activities		2,070
Closing net assets attributable to shareholders		15,758

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 327 to 332 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			14,792
Debtors	7	29	
Cash and bank balances	8	1,098	
Total other assets			1,127
Total assets			15,919
Liabilities			
Creditors	9	(161)	
Total liabilities			(161)
Net assets attributable to shareholders			15,758

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 327 to 332 form an integral part of these financial statements.

Notes to the financial statements

for the period from 1 March 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Schroder US Mid Cap Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

	01.03.13 to 31.12.13 £'000
The net gains on investments comprise:	
Gains on non-derivatives securities	2,240
Losses on currency contracts	(82)
Gains on derivative securities	12
Handling charges	(5)
Net capital gains on investments	2,165

3 Revenue

	01.03.13 to 31.12.13 £'000
Non-taxable overseas dividends	128
Taxable overseas dividends	12
Total revenue	140

4 Expenses

	01.03.13 to 31.12.13 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:	
Authorised Corporate Director's periodic charge	197
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	2
Other expenses:	
Administration fees	7
Audit fees	9
	16
Total expenses	215

* The Audit fee for the period, excluding VAT, was £7,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	01.03.13 to 31.12.13 £'000
Overseas tax suffered	20
Total current tax charge for the period (see note 5(b))	20
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	20

b) Factors affecting current tax charge for the period

	01.03.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	(75)
Corporation tax at 20%	(15)
Effects of:	
Excess management expenses for which no relief taken	41
Non-taxable overseas dividends	(26)
Overseas tax suffered	20
Total current tax charge for the period (see note 5(a))	20

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.03.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had no surplus management expenses..

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.03.13 to 31.12.13 £'000
Final (31 December)	-
Revenue deducted on cancellation of shares	-
Revenue received on issue of shares	-
Finance costs: Distributions	-
Finance costs: Interest	-
Total finance costs	-
Reconciliation of distributions:	
Net expense after taxation	(95)
Revenue deficit reimbursed from capital	95
Finance costs: Distributions	-

Details of the interim and final distributions per share are set out in the table on page 333.

7 Debtors

	31.12.13 £'000
Accrued revenue	11
Amounts receivable for issue of shares	12
Sales awaiting settlement	6
Total debtors	29

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	1,098
Total cash and bank balances	1,098

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	20
Accrued expenses	14
Amounts payable for cancellation of shares	127
Total creditors	161

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 325. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary	Non-monetary	Total
	exposures*	exposures	
	31.12.13	31.12.13	31.12.13
	£'000	£'000	£'000
Canadian Dollar	2	145	147
US Dollar	913	14,664	15,577
Total	915	14,809	15,724

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Canadian Dollar	2	-	145	147
Sterling	183	-	12	195
US Dollar	913	-	14,664	15,577
Total	1,098	-	14,821	15,919

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(161)	(161)
Total	-	(161)	(161)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the period entered into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		21,429
Commissions	9	
Total purchase costs		9
Gross purchases total		21,438
 Analysis of total sale costs		
Gross sales in the period before transaction costs		8,877
Commissions	(10)	
Total sale costs		(10)
Total sales net of transaction costs		8,867

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Schroder US Mid Cap Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 320.

Distribution table

Final distribution

Group 1: Shares purchased on 1 March 2013

Group 2 : Shares purchased from 2 March 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Income 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Threadneedle American Select Fund

Launch date	1 March 2013
Sector classification	Specialist
Investment adviser	Threadneedle Asset Management Limited
Net asset value	£45,053,443

Objective

The sub-fund aims to achieve capital growth.

Policy

The sub-fund's investment policy is to invest the assets of the sub-fund in companies domiciled in North America or which have significant North American operations. These include smaller and emerging growth companies, those with potential for merger or takeover, those with new management recovery situations and exploration companies. There will be no particular specialisation. The select investment approach means that the sub-fund has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£45,053,443	40,002,954	112.63

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	113.3	97.75

* The sub-fund launched on 1 March 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.0000

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The sub-fund saw good positive performance from launch on 1 March 2013 to period end, ahead of its reference benchmark.

Stock selection was a small negative over the period, with the energy sector the main source of disappointment, but it was more than outweighed by positive sector allocation. Areas of positive performance included the overweight in consumer discretionary and the underweight in consumer staples worked particularly well. The underweights in utilities and energy also boosted relative performance. The best stock-level contribution came from Charter Communications (cable), whose shares benefited from rumours of consolidation within the cable industry. Priceline.com (online travel booking) also made a robust contribution, as it reported good results and strong international bookings. Other notable contributors included Alliance Data Systems (white-label credit cards and e-marketing), Google (internet search) and Visa (credit cards). Blackstone (alternative asset management) also performed well, as did Apple (consumer electronics) and Gilead (biotechnology).

Detractors included ADT (alarm monitoring), which came under pressure on concerns that the launch of alarm-monitoring services by telecom and cable companies is leading to a more competitive environment; this could translate into pricing pressures and higher attrition rates in the future. Other underperformers included oil refiners Hollyfrontier and Valero, as the refining spread (or "crack spread") and crude differentials contracted. Axial (speciality chemicals) and Anadarko (oil & gas exploration) were also weak.

Old Mutual Threadneedle American Select Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk - a fall in the US and Canadian markets may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of securities) - the sub-fund typically invests in a limited number of investments. A fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

North America	91.55%
Europe	6.51%
United Kingdom	1.62%
Net other assets	0.32%
Total	100.00%

Asset allocation

Equities	99.68%
Net other assets	0.32%
Total	100.00%

Major holdings	Percentage of portfolio
Apple	5.97%
Google 'A'	4.06%
Charter Communications	3.49%
Prudential Financial	3.12%
Visa	3.09%
Discover Financial Services	3.06%
Airgas	2.79%
Gilead Sciences	2.78%
Thermo Fisher Scientific	2.71%
Tyco International	2.69%

Number of holdings	52
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Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.65%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 1.62%		
	United Kingdom Equities 1.62%		
	Automobiles & Parts 1.62%		
20,183	Delphi Automotive	731	1.62
	Overseas 98.06%		
	Europe 6.51%		
	Europe Equities 6.51%		
	Switzerland Equities 6.51%		
8,399	ACE	523	1.16
13,173	Pentair	617	1.37
17,666	TE Connectivity	583	1.29
48,492	Tyco International	1,208	2.69
		2,931	6.51
	North America 91.55%		
	North America Equities 91.55%		
	Canada Equities 1.81%		
22,984	Methanex	815	1.81
	United States of America Equities 89.74%		
18,537	Airgas	1,257	2.79
6,254	Alliance Data Systems	984	2.18
1,938	Amazon.com	461	1.02
11,645	Amgen	814	1.81
16,051	Anadarko Petroleum	768	1.71
8,006	Apple	2,686	5.97
91,242	Bank of America	857	1.90
59,517	Blackstone LP	1,127	2.50
17,361	CBS	669	1.48
19,353	Charter Communications	1,571	3.49
14,584	CIT	456	1.01
22,696	CME Inc/IL	1,077	2.39
15,999	Colgate-Palmolive	633	1.41
54,953	Delta Air Lines	904	2.01
41,343	Discover Financial Services	1,377	3.06
10,475	Discovery Communications	573	1.27
17,682	Dunkin' Brands	516	1.15
18,558	Eagle Materials	862	1.91
22,185	Estee Lauder Cos	1,008	2.23
23,231	Facebook	755	1.68
24,902	Fortinet	285	0.63
37,577	General Motors	925	2.05
27,526	Gilead Sciences	1,250	2.78
2,724	Google 'A'	1,829	4.06
21,918	HCA	626	1.39
12,036	HollyFrontier	355	0.79
23,781	Informatica	595	1.32

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States of America Equities (continued)			
22,842	Lam Research	752	1.67
11,743	Las Vegas Sands	559	1.24
5,126	LinkedIn	666	1.48
18,741	Mead Johnson Nutrition	942	2.09
6,625	Mohawk Industries	591	1.31
14,306	Noble Energy	581	1.29
17,782	Occidental Petroleum	1,018	2.27
5,709	Pioneer Natural Resources	628	1.39
1,579	priceline.com	1,101	2.44
25,406	Prudential Financial	1,407	3.12
13,282	SBA Communications	718	1.59
12,221	Starbucks	580	1.28
21,554	Synaptics	677	1.50
18,257	Thermo Fisher Scientific	1,222	2.71
39,833	Twenty-First Century Fox	844	1.87
13,324	United Rentals	621	1.38
9,456	United Technologies	645	1.43
13,305	Universal Display	271	0.60
10,385	Visa	1,388	3.09
		40,431	89.74
Investment assets		44,908	99.68
Net other assets		145	0.32
Total net assets		45,053	100.00

The sub-fund launched on 1 March 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 1 March 2013 to 31 December 2013

	Notes	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Income			
Net capital gains	2		5,688
Revenue	3	427	
Expenses	4	(630)	
Finance costs: Interest	6	(1)	
Net expense before taxation		(204)	
Taxation	5	(56)	
Net expense after taxation			(260)
Total return before distributions			5,428
Finance costs: Distributions	6		-
Change in net assets attributable to shareholders from investment activities			5,428

Statement of change in net assets attributable to shareholders

for the period from 1 March 2013 to 31 December 2013

	01.03.13 to 31.12.13 £'000	01.03.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	52,264	
Amounts paid on cancellation of shares	(12,639)	
		39,625
Change in net assets attributable to shareholders from investment activities		5,428
Closing net assets attributable to shareholders		45,053

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 340 to 345 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			44,908
Debtors	7	62	
Cash and bank balances	8	256	
Total other assets			318
Total assets			45,226
Liabilities			
Creditors	9	(173)	
Total liabilities			(173)
Net assets attributable to shareholders			45,053

The sub-fund launched on 1 March 2013, therefore no comparatives are included.
The notes on pages 340 to 345 form an integral part of these financial statements.

Notes to the financial statements

for the period from 1 March 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Threadneedle American Select Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Gains on non-derivatives securities

Losses on currency contracts

Handling charges

Net capital gains on investments

01.03.13 to

31.12.13

£'000

5,779

(88)

(3)

5,688

3 Revenue

Non-taxable overseas dividends

Total revenue

01.03.13 to

31.12.13

£'000

427

427

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

574

574

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

5

Safe custody fees

1

6

Other expenses:

Administration fees

42

Audit fees

8

50

Total expenses

630

* The Audit fee for the period, excluding VAT, was £6,600.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	01.03.13 to 31.12.13 £'000
Overseas tax suffered	56
Total current tax charge for the period (see note 5(b))	56
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	56

b) Factors affecting current tax charge for the period

	01.03.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net expense before taxation	(204)
Corporation tax at 20%	(41)
Effects of:	
Excess management expenses for which no relief taken	127
Non-taxable overseas dividends	(86)
Overseas tax suffered	56
Total current tax charge for the period (see note 5(a))	56

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	01.03.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £633,120, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	01.03.13 to 31.12.13 £'000
Final (31 December)	-
Revenue deducted on cancellation of shares	-
Revenue received on issue of shares	-
Finance costs: Distributions	-
Finance costs: Interest	1
Total finance costs	1
Reconciliation of distributions:	
Net expense after taxation	(260)
Revenue deficit reimbursed from capital	260
Finance costs: Distributions	-

Details of the final distribution per share are set out in the table on page 346.

7 Debtors

	31.12.13 £'000
Accrued revenue	13
Amounts receivable for issue of shares	13
Sales awaiting settlement	36
Total debtors	62

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	256
Total cash and bank balances	256

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	57
Accrued Depositary's fees	1
Accrued expenses	44
Amounts payable for cancellation of shares	71
Total creditors	173

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 338. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
US Dollar	255	44,945	45,200
Total	255	44,945	45,200

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Sterling	1	-	25	26
US Dollar	255	-	44,945	45,200
Total	256	-	44,970	45,226

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(173)	(173)
Total	-	(173)	(173)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the year enter into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs	31.12.13 £'000	31.12.13 £'000
Purchases in the period before transaction costs		96,047
Commissions	51	
Other costs	-	
Total purchase costs		51
Gross purchases total		96,098
Analysis of total sale costs		
Gross sales in the period before transaction costs		56,968
Commissions	(58)	
Other costs	-	
Total sale costs		(58)
Total sales net of transaction costs		56,910

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Threadneedle American Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 334.

Distribution table

Final distribution

Group 1: Shares purchased on 1 March 2013
 Group 2 : Shares purchased from 2 March 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Threadneedle European Select Fund

Launch date	12 April 2013
Sector classification	Specialist
Investment adviser	Threadneedle Asset Management Limited
Net asset value	£12,021,292

Objective

The sub-fund aims to achieve capital growth.

Policy

The sub-fund's investment policy is to invest mainly in a relatively concentrated portfolio of equities of companies domiciled in Continental Europe or which have significant Continental European operations. The select investment approach means that the sub-fund has the flexibility to take significant stock and sector positions which may lead to increased levels of volatility. If the investment adviser considers it desirable, the sub-fund may further invest in other securities (including fixed interest securities, other equities and money market securities).

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13			
Accumulation 'A'	£12,021,292	11,522,291	104.3

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013*		
Accumulation 'A'	106.1	95.44

* The sub-fund launched on 12 April 2013.

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2014*	
Accumulation 'A'	0.6585

* to ex-dividend date of 31 December 2013 (paid on 28 February 2014)

Investment Manager's review

The portfolio underperformed its benchmark over the period from inception to the end of the year. Overall, both sector allocations and stock selection were unhelpful. In terms of sector allocation, an overweight position in consumer staples and an underweight position in financials both detracted from returns. However, an underweight position in energy benefited performance, as did an overweight in industrials. Stock picking was positive in the healthcare sector, but elsewhere stock choices detracted, with picks in the industrials, utilities and consumer sectors weighing on returns.

Top contributors among individual stocks included a holding in Bayer (a German chemical and pharmaceutical company), Sampo (a Finnish insurer) and Sika (a Swiss speciality-chemicals firm). The biggest detractors included Unilever (consumer products) and Anheuser-Busch (brewing), both of which suffered from fears over their exposure to emerging markets. Fresenius Medical Care (kidney dialysis) was sold down on concerns about changes to the US Medicare system, while Iliad (telecoms) was affected by intensifying price competition.

Old Mutual Threadneedle European Select Fund

Risk and Reward Profile



The risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rates at which sub-funds of this type have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 6 have in the past shown relatively high volatility. With a sub-fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - there is no guarantee that the sub-fund will achieve its objective.

Geographic concentration risk - a fall in the European market may have a significant impact on the value of the sub-fund because it primarily invests in this market.

Concentration risk (number of securities) - the sub-fund typically invests in a limited number of investments. A fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Currency risk - the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Europe	99.04%
Net other assets	0.96%
Total	100.00%

Asset allocation

Equities	99.04%
Net other assets	0.96%
Total	100.00%

Major holdings

Percentage of portfolio

Bayer	6.74%
Anheuser-Busch InBev	4.81%
Svenska Handelsbanken	4.71%
Nestle	4.47%
Unilever	4.34%
Novo Nordisk 'B'	4.29%
L'Oreal	4.23%
Sampo 'A'	4.06%
Syngenta	3.99%
Brenntag	3.94%

Number of holdings	46
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Ongoing charges figure (OCF)*

31.12.13 Accumulation 'A'**	1.71%
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*The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 99.04%		
	Europe Equities 99.04%		
	Belgium Equities 4.81%		
9,033	Anheuser-Busch	578	4.81
	Denmark Equities 5.94%		
5,664	Chr Hansen	136	1.13
4,652	Novo Nordisk 'B'	516	4.29
1,056	William Demant	62	0.52
		714	5.94
	Finland Equities 4.70%		
2,828	Kone	77	0.64
16,389	Sampo 'A'	488	4.06
		565	4.70
	France Equities 12.87%		
2,590	Airbus	120	1.00
4,669	Bureau Veritas	83	0.69
5,589	Edenred	114	0.95
3,203	Essilor International	207	1.72
1,577	Iliad	198	1.65
6,621	Legrand	221	1.84
4,806	L'Oreal	509	4.23
1,382	Pernod Ricard	95	0.79
		1,547	12.87
	Germany Equities 24.65%		
1,514	Allianz	164	1.37
9,514	Bayer	810	6.74
1,638	Bayerische Motoren Werke	117	0.97
4,229	Brenntag	474	3.94
1,825	Continental	242	2.01
12,577	Deutsche Post	279	2.32
2,316	Linde	294	2.45
4,692	SAP	244	2.03
9,427	Symrise	263	2.19
3,174	Wirecard	76	0.63
		2,963	24.65
	Ireland Equities 3.15%		
1,723	Kerry 'A'	72	0.60
58,926	Ryanair	307	2.55
		379	3.15
	Netherlands Equities 10.03%		
1,587	ASML	90	0.75
18,791	Reed Elsevier	240	2.00
2,975	Schneider Electric	157	1.30
21,423	Unilever	522	4.34
7,135	Ziggo	197	1.64
		1,206	10.03

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Norway Equities 1.26%			
14,057	DNB	152	1.26
Spain Equities 1.74%			
4,823	Amadeus IT	125	1.04
3,823	Grifols ADR	84	0.70
		209	1.74
Sweden Equities 11.97%			
11,569	Assa Abloy	371	3.08
7,704	Atlas 'A'	130	1.08
6,581	Elekta	61	0.51
38,121	Nordea Bank	311	2.59
18,993	Svenska Handelsbanken	566	4.71
		1,439	11.97
Switzerland Equities 17.92%			
4,894	Cie Financiere Richemont	295	2.46
12,118	Nestle	537	4.47
2,210	Roche	374	3.11
61	Sika	131	1.09
293	Swatch	117	0.97
1,992	Syngenta	480	3.99
19,152	UBS	220	1.83
		2,154	17.92
Investment assets		11,906	99.04
Net other assets		115	0.96
Total net assets		12,021	100.00

The sub-fund launched on 12 April 2013, therefore no comparatives are included.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

All investments are in ordinary shares unless otherwise stated.

Statement of total return

for the period from 12 April 2013 to 31 December 2013

	Notes	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Income			
Net capital gains	2		504
Revenue	3	361	
Expenses	4	(197)	
Finance costs: Interest	6	-	
Net revenue before taxation		164	
Taxation	5	(41)	
Net revenue after taxation			123
Total return before distributions			627
Finance costs: Distributions	6		(123)
Change in net assets attributable to shareholders from investment activities			504

Statement of change in net assets attributable to shareholders

for the period from 12 April 2013 to 31 December 2013

	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	19,803	
Amounts paid on cancellation of shares	(8,362)	
		11,441
Change in net assets attributable to shareholders from investment activities		504
Retained distribution on accumulation shares		76
Closing net assets attributable to shareholders		12,021

The sub-fund launched on 12 April 2013, therefore no comparatives are included.
The notes on pages 353 to 359 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			11,906
Debtors	7	266	
Cash and bank balances	8	23	
Total other assets			289
Total assets			12,195
Liabilities			
Creditors	9	(174)	
Total liabilities			(174)
Net assets attributable to shareholders			12,021

The sub-fund launched on 12 April 2013, therefore no comparatives are included.
The notes on pages 353 to 359 form an integral part of these financial statements.

Notes to the financial statements

for the period from 12 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Threadneedle European Select Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

	12.04.13 to 31.12.13 £'000
The net gains on investments comprise:	
Gains on non-derivatives securities	526
Losses on currency contracts	(8)
Handling charges	(14)
Net capital gains on investments	504

3 Revenue

	12.04.13 to 31.12.13 £'000
Non-taxable overseas dividends	361
Total revenue	361

4 Expenses

	12.04.13 to 31.12.13 £'000
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:	
Authorised Corporate Director's periodic charge	182
	182
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	2
Safe custody fees	1
	3
Other expenses:	
Administration fees	4
Audit fees	8
	12
Total expenses	197

* The Audit fee for the period, excluding VAT, was £6,600.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	12.04.13 to 31.12.13 £'000
Overseas tax suffered	41
Total current tax charge for the period (see note 5(b))	41
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	41

b) Factors affecting current tax charge for the period

	12.04.13 to 31.12.13 £'000
The taxation assessed for the period is higher than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	164
Corporation tax at 20%	33
Effects of:	
Excess management expenses for which no relief taken	40
Non-taxable overseas dividends	(73)
Overseas tax suffered	41
Total current tax charge for the period (see note 5(a))	41

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	12.04.13 to 31.12.13
Deferred tax at the start of the period	
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had surplus management expenses of £197,829, which can be utilised against corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distribution takes account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	12.04.13 to 31.12.13 £'000
Final (31 December)	76
Revenue deducted on cancellation of shares	76
Revenue received on issue of shares	73
	(26)
Finance costs: Distributions	123
Finance costs: Interest	-
Total finance costs	123

Details of the interim and final distributions per share are set out in the table on page 360 .

7 Debtors

	31.12.13 £'000
Amounts receivable for issue of shares	116
Currency contracts receivable	115
Overseas tax recoverable	35
Total debtors	266

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	23
Total cash and bank balances	23

9 Creditors

	31.12.13 £'000
Accrued Authorised Corporate Director's periodic charge	16
Accrued expenses	19
Amounts payable for cancellation of shares	23
Currency contracts payable	116
Total creditors	174

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 351. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Equity shares and equity related shares.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of their sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13	31.12.13	31.12.13
	£'000	£'000	£'000
Danish Krone	-	715	715
Euro	21	7,498	7,519
Norwegian Krone	-	153	153
Swedish Krona	-	1,439	1,439
Swiss Franc	-	2,167	2,167
US Dollar	-	84	84
Total	21	12,056	12,077

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
31.12.13				
Danish Krone	-	-	715	715
Euro	21	-	7,498	7,519
Norwegian Krone	-	-	153	153
Sterling	2	-	116	118
Swedish Krona	-	-	1,439	1,439
Swiss Franc	-	-	2,167	2,167
US Dollar	-	-	84	84
Total	23	-	12,172	12,195

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
31.12.13			
Sterling	-	(174)	(174)
Total	-	(174)	(174)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Depositary to ensure that the exposure to any counterparty remains appropriate for investors.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemption can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigate the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The sub-fund may use derivatives for efficient portfolio management and during the period entered into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the sub-fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

In the opinion of the ACD, the use of derivative instruments within the sub-fund does not have a significant impact on the operations of the sub-fund and accordingly, a sensitivity analysis is not presented.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

Analysis of total purchase costs

	12.04.13 to 31.12.13 £'000	12.04.13 to 31.12.13 £'000
Purchases in the period before transaction costs		27,791
Commissions	11	
Other costs	5	
Total purchase costs		16
Gross purchases total		27,807

Analysis of total sale costs

Gross sales in the period before transaction costs		16,436
Commissions	(10)	
Total sale costs		(10)
Total sales net of transaction costs		16,426

Notes to the financial statements (continued)

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Threadneedle European Select Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 347.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 31 December 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.02.14 pence per share
Accumulation 'A' Shares			
Group 1	0.6585	-	0.6585
Group 2	0.0000	0.6585	0.6585

Interim distribution

Group 1: Shares purchased on 12 April 2013
 Group 2: Shares purchased from 13 April 2013 to 30 June 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Accumulation 'A' Shares			
Group 1	0.0000	-	0.0000
Group 2	0.0000	0.0000	0.0000

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Threadneedle High Yield Bond Fund

Launch date	24 April 2013
Sector classification	Specialist
Investment adviser	Threadneedle Asset Management Limited
Net asset value	£37,962,491

Objective

The sub-fund aims to achieve income.

Policy

The sub-fund's investment policy is to invest principally in higher risk UK and international fixed interest securities. It may also invest in equities. Income will be paid monthly.

Investment Manager's review

The sub-fund has produced a positive return since inception, outperforming the benchmark on a gross basis. The biggest contributor to returns was our positioning across the credit rating spectrum, where we were overweight single-Bs and underweight double-Bs. At the sector level, our overweight position in banking and autos added the most value to relative returns. By contrast the services, media and insurance sectors detracted from performance. For 2014, we see an improving economic picture globally, with notable improvements across the developed markets including Europe. We believe default rates will remain low and still see support for the asset class where central bank policies remain accommodative. Although tapering has begun in the US, the market seems more comfortable with the idea that we are in a tapering phase, not a tightening one. Yields are at an all-time low, but spreads still have some room to tighten. We still feel spreads offer decent breakeven protection. High yield still provides investors with income and a low rate of duration sensitivity. We expect positive total returns for 2014, albeit not at the same levels as seen in 2013.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 100.00p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.13 Income 'A'	£37,962,491	37,521,650	101.17p

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

Calendar year	Highest price	Lowest price
2013 Income 'A'	102.0p	98.43p

* The sub-fund launched on 24 April 2013.

The table below shows the net revenue distributed per share in pence for the calendar years indicated below.

Calendar year	Pence per share
2013* Income 'A'	2.7698
2014** Income 'A'	0.3949

* from 24 April 2013

** to ex-dividend date of 31 December 2013 (paid on 31 January 2014)

Old Mutual Threadneedle High Yield Bond Fund

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the sub-fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the sub-fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Sub-funds in category 4 have in the past shown moderate volatility. With a sub-fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

Investment risk – there is no guarantee that the sub-fund will achieve its objective.

Credit risk – the issuer of a bond or similar investment within the fund may not pay income or repay capital to the sub-fund when due. Bonds which are rated below investment grade are considered to have a higher risk exposure with respect to meeting their payment obligations.

Interest rate risk – investments in bonds are affected by interest rates and inflation trends which may affect the value of the sub-fund.

Liquidity risk – some investments may become hard to value or sell at a desired time and price. In extreme circumstances this may affect the sub-fund's ability to meet redemption requests upon demand.

Currency risk – the sub-fund is denominated in British Pounds but holds assets denominated in other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk – the sub-fund may use derivatives to reduce costs and/or the overall risk of the sub-fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the sub-fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk – the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For full details of the sub-fund's risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

Europe	65.71%
United Kingdom	24.47%
North America	5.86%
Japan	0.62%
South America	0.38%
Asia Pacific (Excluding Japan)	0.34%
Africa	0.26%
Derivatives	0.24%

Net other assets	2.12%
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Total	100.00%
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Asset allocation

Euro Denominated Fixed Rate Corporate Bonds	68.61%
Sterling Denominated Fixed Rate Corporate Bonds	22.93%
US Dollar Denominated Fixed Rate Corporate Bond	4.84%
Swiss Franc Denominated Fixed Rate Corporate Bond	1.26%
Derivatives	0.24%

Net other assets	2.12%
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Total	100.00%
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Major holdings

	Percentage of portfolio
Schaeffler Holding Finance 6.875% 15/08/2018	1.38%
Wind Acquisition Finance 7.375% 15/02/2018	1.32%
Wind Acquisition Finance 11.75% 15/07/2017	1.29%
INEOS Group Holdings 7.875% 15/02/2016	1.26%
CNH Industrial Finance Europe 6.25% 09/03/2018	1.26%
HeidelbergCement Finance Luxembourg 7.5% 03/04/2020	1.24%
Priony No 3 7% Senior Bonds 15/02/2018	1.18%
ThyssenKrupp 4% 27/08/2018	1.16%
HeidelbergCement Finance 8% 31/01/2017	1.15%
KP Germany Erste 11.625% 15/07/2017	1.04%

Number of holdings	221
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Ongoing charges figure (OCF)

31.12.13 Income 'A**	1.45%
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* The ongoing charges figure is the ratio of the sub-fund's ongoing charges to the average net assets of the sub-fund.

** As the sub-fund launched during the year, the ongoing charges figure is based on annualised expenses of the share class.

All information is at 31 December 2013 unless otherwise stated.

Portfolio statement

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling 23.18%			
Sterling Denominated Fixed Rate Corporate Bonds 22.93%			
£209,000	AA 9.5% European Medium Term Bonds 31/07/2019	229	0.60
£120,000	AA PIK 9.5% Senior European Medium Term Bonds 07/11/2019	122	0.32
£165,000	Anglian Water Osprey Financing 7% Senior European Medium Term Bonds 31/01/2018	178	0.47
£106,545	Annington Finance No 5 13% Senior European Medium Term Bonds 15/01/2023	121	0.32
£200,000	Aston Martin Capital 9.25% Senior European Medium Term Bonds 15/07/2018	217	0.57
£163,000	Boparan Finance 9.875% Guaranteed Bonds 30/04/2018	178	0.47
£50,000	British Airways 8.75% Senior Bonds 23/08/2016	57	0.15
£100,000	Cabot Financial Luxembourg 10.375% Senior European Medium Term Bonds 01/10/2019	115	0.30
£326,000	Care UK Health & Social Care 9.75% Senior European Medium Term Bonds 01/08/2017	344	0.91
£220,000	Co-Operative Bank 5.125% Senior Bonds 20/09/2017	221	0.58
£303,000	Co-Operative 2011 6.875% Guaranteed Bonds 08/07/2020	310	0.82
£60,000	Daily Mail & General Trust 10% Senior Bonds 09/04/2021	77	0.20
£206,000	Daily Mail & General Trust 5.75% Senior Bonds 07/12/2018	223	0.59
£50,000	Dubai Holding Commercial Operations MTN 6% Guaranteed Bonds 01/02/2017	52	0.14
£278,000	Elli Finance 8.75% Senior European Medium Term Bonds 15/06/2019	308	0.81
£83,000	Enterprise Inns 6.375% Bonds 26/09/2031	73	0.19
£340,000	Enterprise Inns 6.5% Bonds 06/12/2018	351	0.92
£10,000	Enterprise Inns 6.875% Bonds 09/05/2025	10	0.03
£190,000	Enterprise Inns 6.875% Bonds 15/02/2021	187	0.49
£100,000	Equiniti 2 7.125% Senior European Medium Term Bonds 15/12/2018	105	0.28
£175,000	Finmeccanica Finance 8% Guaranteed Bonds 16/12/2019	195	0.51
£280,000	First Hydro Finance 9% Senior European Medium Term Bonds 31/07/2021	362	0.95
£100,000	House of Fraser Funding 8.875% Senior European Medium Term Bonds 15/08/2018	109	0.29
£125,000	IDH Finance 6% Senior European Medium Term Bonds 01/12/2018	126	0.33
£100,000	IDH Finance 8.5% European Medium Term Bonds 01/06/2019	101	0.27
£194,000	InterGen 7.5% Senior European Medium Term Bonds 30/06/2021	204	0.54
£170,000	Iron Mountain 7.25% Guaranteed Bonds 15/04/2014	170	0.45
£150,000	Jaguar Land Rover 8.125% Guaranteed Bonds 15/05/2018	162	0.43
£137,000	Jaguar Land Rover 8.25% Guaranteed Bonds 15/03/2020	155	0.41
£100,000	Jerrold Finco 9.75% European Medium Term Bonds 15/09/2018	109	0.29
£300,000	Koninklijke 6.875% Senior European Medium Term Bonds 14/03/2073	310	0.82
£77,000	Lafarge 10% Senior European Medium Term Bonds 30/05/2017	91	0.24
£68,000	Lafarge 6.625% Senior Bonds 29/11/2017	74	0.19
£101,000	LBG Capital No.1 11.04% Guaranteed Bonds 19/03/2020	115	0.30
£152,000	Lloyds Bank 13% Perpetual Subordinated Bonds	242	0.64
£109,000	Lowell Financing 10.75% Senior European Medium Term Bonds 01/04/2019	124	0.33
£268,000	Matalan Finance 8.875% Senior European Medium Term Bonds 29/04/2016	276	0.73
£164,000	Odeon & UCI Finco 9% Senior European Medium Term Bonds 01/08/2018	166	0.44
£414,000	Priory No 3 7% Senior Bonds 15/02/2018	436	1.15
£130,000	Santander 10.0625% Perpetual Subordinated Bonds	148	0.39
£235,000	Southern Water Financing 8.5% Senior European Medium Term Bonds 15/04/2019	259	0.68
£200,000	Telefonica Europe 6.75% Perpetual Subordinated Bonds	204	0.54
£208,000	Thames Water Kemble Finance 7.75% Senior European Medium Term Bonds 01/04/2019	226	0.59
£124,000	UPM-Kymmene 6.625% Senior Bonds 23/01/2017	135	0.35
£100,000	Virgin Media Finance 7% Guaranteed Bonds 15/04/2023	104	0.27
£194,000	Virgin Media Finance 8.875% Guaranteed Bonds 15/10/2019	211	0.55
£100,000	Virgin Media Finance 5.5% Senior European Medium Term Bonds 15/01/2021	101	0.27
£100,000	Vougeot Bidco 7.875% Senior European Medium Term Bonds 15/07/2020	107	0.28
£100,000	Voyage Care Bondco 6.5% Guaranteed European Medium Term Bonds 01/08/2018	103	0.27
£91,000	William Hill 7.125% Guaranteed Bonds 11/11/2016	103	0.27
		8,706	22.93

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Sterling Denominated Open Forward Exchange Contracts 0.25%			
£13,447,806	Sterling v Euro Forward Exchange Contract	37	0.10
£13,366,288	Sterling v Euro Forward Exchange Contract	35	0.09
£108,834	Sterling v Euro Forward Exchange Contract	1	-
£133,738	Sterling v Euro Forward Exchange Contract	-	-
£480,605	Sterling v Swiss Franc Forward Exchange Contract	2	0.01
£6,819	Sterling v Swiss Franc Forward Exchange Contract	-	-
£1,869,438	Sterling v US Dollar Forward Exchange Contract	21	0.05
		96	0.25
Overseas 74.70%			
Europe 69.86%			
Euro Denominated Fixed Rate Corporate Bonds 68.60%			
£120,000	Abengoa Finance 8.875% Guaranteed Bonds 05/02/2018	108	0.28
€200,000	AG Spring Finance 7.5% Senior European Medium Term Bonds 01/06/2018	173	0.46
€100,000	Agrokor 9.125% Guaranteed Bonds 01/02/2020	93	0.25
€100,000	Albea Beauty 8.75% Senior European Medium Term Bonds 01/11/2019	89	0.23
€387,000	Allied Irish 5.625% Senior Bonds 12/11/2014	332	0.87
€100,000	Altice Financing 6.5% Senior European Medium Term Bonds 15/01/2022	84	0.22
€106,797	ARD Finance 11.125% Senior European Medium Term Bonds 01/06/2018	95	0.25
€308,000	Ardagh Glass Finance 7.125% 15/06/2017	264	0.70
€192,000	Ardagh Glass Finance 9.25% Senior European Medium Term Bonds 01/07/2016	168	0.44
€100,000	Ardagh Packaging Finance 5% Senior European Medium Term Bonds 15/11/2022	83	0.22
€101,000	Ardagh Packaging Finance 7.375% Senior European Medium Term Bonds 15/10/2017	90	0.24
€118,000	Ardagh Packaging Finance 7.375% Senior European Medium Term Bonds 15/10/2017	105	0.28
€137,000	Avis Budget Finance 6% Guaranteed Bonds 01/03/2021	121	0.32
€100,000	Baggot Securities 10.24% Perpetual European Medium Term Bonds	88	0.23
€100,000	Banco Espirito Santo 4.75% Senior Bonds 15/01/2018	85	0.22
€200,000	Banco Espirito Santo 5.875% Senior Bonds 09/11/2015	175	0.46
€100,000	Bank of Ireland 10% Subordinated Bonds 19/12/2022	100	0.26
€162,000	Bank of Ireland 10% Subordinated Bonds 30/07/2016	144	0.38
€100,000	Befesa Zinc 8.875% Senior European Medium Term Bonds 15/05/2018	91	0.24
€119,000	Beverage Packaging 9.5% European Medium Term Bonds 15/06/2017	102	0.27
€100,000	Bilbao 10.5% Bonds 01/12/2018	82	0.22
€317,745	Boats Investments Netherlands 11% Senior European Medium Term Bonds 31/03/2017	127	0.33
€314,000	Bombardier 6.125% Senior Bonds 15/05/2021	283	0.75
€335,000	Bormioli Rocco 10% Senior European Medium Term Bonds 01/08/2018	305	0.80
€100,000	Cable Communications 7.5% Senior European Medium Term Bonds 01/11/2020	85	0.22
€200,000	Caixa Geral de Depositos 5.625% Senior Bonds .04/12/2015	175	0.46
€343,000	Carlson Wagonlit 7.5% Senior European Medium Term Bonds 15/06/2019	308	0.81
€130,000	CeramTec 8.25% Guaranteed Bonds 15/08/2021	118	0.31
€100,000	Cerba European 7% Senior European Medium Term Bonds 01/02/2020	88	0.23
€254,000	Chesapeake Energy 6.25% Guaranteed Bonds 15/01/2017	230	0.61
€192,000	Cirsa Funding 8.75% Guaranteed Bonds 15/05/2018	170	0.45
€101,000	CNH Industrial Finance 5.25% Guaranteed Bonds 11/03/2015	88	0.23
€495,000	CNH Industrial Finance 6.25% Guaranteed European Medium Term Bonds 09/03/2018	467	1.23
€83,000	Codere Finance 8.25% Senior European Medium Term Bonds 15/06/2015	39	0.10
€147,000	Crown European 7.125% Guaranteed Bonds 15/08/2018	130	0.34
€140,000	Deutsche Raststaetten 6.75% European Medium Term Bonds 30/12/2020	122	0.32
€100,000	Eco-Bat Finance 7.75% Guaranteed Bonds 15/02/2017	87	0.23
€113,000	Edcon 9.5% Senior European Medium Term Bonds 01/03/2018	96	0.25
€240,000	EDP Finance 5.75% Senior Bonds 21/09/2017	219	0.58
€108,000	Eileme 2 11.75% Senior European Medium Term Bonds 31/01/2020	108	0.28
€100,000	Empark Funding 5.7788% Senior European Medium Term Bonds 15/12/2019	83	0.22

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€100,000	Empark Funding 6.75% Senior European Medium Term Bonds 15/12/2019	85	0.22
€250,000	Europcar Groupe 9.375% Senior European Medium Term Bonds 15/04/2018	222	0.58
€100,000	Faurecia 9.375% Guaranteed Bonds 15/12/2016	99	0.26
€100,000	Fiat Finance & Trade 6.375% Guaranteed Bonds 01/04/2016	89	0.23
€129,000	Fiat Finance & Trade 6.625% Guaranteed Bonds 15/03/2018	116	0.31
€385,000	Fiat Finance & Trade 6.75% Guaranteed Bonds 14/10/2019	348	0.92
€79,000	Fiat Finance & Trade 6.875% Guaranteed Bonds 13/02/2015	69	0.18
€100,000	Fiat Finance & Trade 7.375% Guaranteed Bonds 09/07/2018	93	0.25
€239,000	Fiat Finance & Trade 7.625% Guaranteed Bonds 15/09/2014	207	0.55
€61,000	FMC Finance 6.5% Guaranteed Bonds 15/09/2018	60	0.16
€140,000	Gamenet 7.25% Senior European Medium Term Bonds 01/08/2018	119	0.31
€110,000	GCS Holdco Finance I 6.5% Senior European Medium Term Bonds 15/11/2018	94	0.25
€200,000	Gestamp Funding 5.875% Senior European Medium Term Bonds 31/05/2020	176	0.46
€177,000	Gtech 8.25% Guaranteed European Medium Term Bonds 31/03/2066	160	0.42
€454,000	HeidelbergCement Finance 7.5% Guaranteed Bonds 03/04/2020	461	1.21
€440,000	HeidelbergCement Finance 8% Guaranteed Bonds 31/01/2017	429	1.13
€319,000	HeidelbergCement Finance 8.5% Guaranteed Bonds 31/10/2019	339	0.89
€100,000	HeidelbergCement Finance 9.5% Guaranteed Bonds 15/12/2018	108	0.28
€559,135	INEOS 7.875% European Medium Term Bonds 15/02/2016	469	1.24
€136,000	Infor 10% Guaranteed Bonds 01/04/2019	126	0.33
€332,000	International Personal Finance 11.5% Guaranteed Bonds 06/08/2015	311	0.82
€115,000	InterXion 6% Senior European Medium Term Bonds 15/07/2020	101	0.27
€50,000	Iron Mountain 6.75% Guaranteed Bonds 15/10/2018	42	0.11
€125,135	ISS 8.875% European Medium Term Bonds 15/05/2016	106	0.28
€104,000	Kabel 6.5% Senior Bonds 31/07/2017	93	0.25
€146,000	Kabel Deutschland 6.5% Senior European Medium Term Bonds 29/06/2018	129	0.34
€194,000	Kerling 10.625% Senior European Medium Term Bonds 01/02/2017	172	0.45
€290,713	Kleopatra 10.25% Senior European Medium Term Bonds 15/08/2017	254	0.67
€100,000	Koninklijke 6.125% Perpetual Subordinated Bonds	88	0.23
€401,000	KP 11.625% European Medium Term Bonds 15/07/2017	384	1.01
€322,000	Labco SA 8.5% Senior European Medium Term Bonds 15/01/2018	285	0.75
€112,000	Lafarge 4.75% Senior Bonds 23/03/2020	100	0.26
€100,000	Lafarge 5.375% Senior Bonds 26/06/2017	92	0.24
€178,000	Lafarge 6.625% Senior Bonds 29/11/2018	170	0.45
€80,000	Lafarge 6.75% Senior Bonds 16/12/2019	77	0.20
€178,000	Magnolia BC 9% Senior European Medium Term Bonds 01/08/2020	156	0.41
€244,000	Matterhorn Mobile 8.25% Senior European Medium Term Bonds 15/02/2020	222	0.58
€100,000	MPT Operating Partnership 5.75% Guaranteed Bonds 01/10/2020	88	0.23
€230,000	Nara Cable 8.875% Senior European Medium Term Bonds 01/12/2018	208	0.55
€100,000	Nexans 4.25% Senior Bonds 19/03/2018	86	0.23
€100,000	NH Hoteles 6.875% Senior European Medium Term Bonds 15/11/2019	88	0.23
€100,000	Nokia Siemens Networks Finance 6.75% Guaranteed Bonds 15/04/2018	90	0.24
€125,000	Norcell 10.75% European Medium Term Bonds 29/09/2019	116	0.31
€188,000	Novalis 6% Senior European Medium Term Bonds 15/06/2018	165	0.43
€130,000	Numericable Finance 12.375% Senior European Medium Term Bonds 15/02/2019	132	0.35
€116,350	Numericable Finance 8.75% Senior European Medium Term Bonds 15/02/2019	110	0.29
€50,000	Obrascon Huarte Lain 7.375% Senior Bonds 28/04/2015	45	0.12
€129,000	Obrascon Huarte 7.625% Guaranteed Bonds 15/03/2020	118	0.31
€258,000	Obrascon Huarte Lain 8.75% Senior Bonds 15/03/2018	239	0.63
€200,000	OI European 4.875% Guaranteed Bonds 31/03/2021	175	0.46
€137,000	OI European 6.75% Guaranteed Bonds 15/09/2020	133	0.35
€300,000	OTE 4.625% Guaranteed Bonds 20/05/2016	258	0.68
€76,000	OTE 7.25% Guaranteed Bonds 12/02/2015	66	0.17
€215,000	OTE 7.875% Guaranteed Bonds 07/02/2018	204	0.54

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€325,000	Peugeot 7.375% Senior Bonds 06/03/2018	302	0.80
€100,000	Polish Television 11% Senior European Medium Term Bonds 15/01/2021	89	0.23
€100,000	PortAventura Entertainment 5.897% Senior European Medium Term Bonds 01/12/2019	82	0.22
€100,000	PortAventura Entertainment 7.25% Senior European Medium Term Bonds 01/12/2020	85	0.22
€100,000	Portucel 5.375% Senior Bonds 15/05/2020	89	0.23
€147,000	Portugal Telecom International Finance 4.375% Senior Bonds 24/03/2017	128	0.34
€143,000	Portugal Telecom International Finance 4.625% Senior Bonds 08/05/2020	122	0.32
€71,000	Portugal Telecom International Finance 5% Senior Bonds 04/11/2019	62	0.16
€116,000	Portugal Telecom International Finance 5.625% Senior Bonds 08/02/2016	103	0.27
€100,000	R&R Ice Cream 8.375% Senior European Medium Term Bonds 15/11/2017	89	0.24
€100,000	Rain CII Carbon 8.5% European Medium Term Bonds 15/01/2021	85	0.22
€101,000	Refresco 7.375% Senior European Medium Term Bonds 15/05/2018	90	0.24
€408,000	Renault 4.625% Senior Bonds 18/09/2017	364	0.96
€361,000	Rexam 6.75% Senior European Medium Term Bonds 29/06/2067	323	0.85
€157,000	Rexel 5.125% Senior Bonds 15/06/2020	138	0.36
€183,000	Rexel 7% Senior European Medium Term Bonds 17/12/2018	167	0.44
€97,000	Royal Bank of Scotland 10.5% 16/03/2022	98	0.26
€343,000	RPG 6.75% Senior European Medium Term Bonds 01/05/2020	289	0.76
€100,000	Sappi Papier 6.625% Senior European Medium Term Bonds 15/04/2018	89	0.24
€354,000	Schaeffler Finance 4.25% Senior European Medium Term Bonds 15/05/2018	307	0.81
€254,000	Schaeffler Finance 7.75% Senior European Medium Term Bonds 15/02/2017	245	0.65
€576,000	Schaeffler Finance 6.875% Senior European Medium Term Bonds 15/08/2018	513	1.35
€347,000	Smurfit Kappa Acquisitions 7.75% Senior Bonds 15/11/2019	315	0.83
€100,000	Snai 12% Senior European Medium Term Bonds 15/12/2018	86	0.23
€200,000	Snai 7.625% Senior European Medium Term Bonds 15/06/2018	167	0.44
€274,000	SoftBank 4.625% Guaranteed Bonds 15/04/2020	236	0.62
€100,000	Sunrise Communications 8.5% European Medium Term Bonds 31/12/2018	91	0.24
€168,000	Sunrise Communications International 7% Senior European Medium Term Bonds 31/12/2017	148	0.39
€105,000	Takko 2 9.875% Senior European Medium Term Bonds 15/04/2019	86	0.23
€155,000	Techem 6.125% Senior European Medium Term Bonds 01/10/2019	140	0.38
€155,000	Techem Energy Metering 7.875% Guaranteed Bonds 01/10/2020	145	0.38
€400,000	Telefonica Europe 6.5% Guaranteed Bonds	356	0.94
€100,000	Telefonica Europe 7.625% Guaranteed Bonds	92	0.24
€166,000	Telenet Finance 6.625% Senior European Medium Term Bonds 15/02/2021	149	0.39
€159,000	Telenet Finance 6.375% Senior European Medium Term Bonds 15/11/2020	142	0.37
€136,000	Telenet Finance 6.25% Senior European Medium Term Bonds 15/08/2022	120	0.32
€100,000	Telenet Finance 6.75% Senior European Medium Term Bonds 15/08/2024	89	0.23
€247,000	Thomas Cook Finance 7.75% Guaranteed Bonds 15/06/2020	224	0.59
€496,000	ThyssenKrupp 4% Senior Bonds 27/08/2018	432	1.14
€100,000	Trionista 5% Senior European Medium Term Bonds 30/04/2020	85	0.22
€140,000	Trionista 6.875% Subordinated Bonds 30/04/2021	123	0.32
€192,000	TVN Finance 7.875% Guaranteed Bonds 15/11/2018	169	0.45
€100,000	TVN Finance 7.375% Guaranteed Bonds 15/12/2020	89	0.23
€175,000	Unitymedia Hessen 5.5% Senior European Medium Term Bonds 15/09/2022	150	0.40
€330,000	Unitymedia Hessen 7.5% Senior European Medium Term Bonds 15/03/2019	299	0.79
€160,000	Unitymedia Hessen 5.75% Senior European Medium Term Bonds 15/01/2023	138	0.36
€266,000	Unitymedia Kabel 9.625% European Medium Term Bonds 01/12/2019	245	0.65
€222,000	Unitymedia Kabel 9.5% European Medium Term Bonds 15/03/2021	215	0.57
€102,000	UPC 6.75% Senior Bonds 15/03/2023	87	0.23
€266,000	UPC 8.375% European Medium Term Bonds 15/08/2020	244	0.64
€296,000	UPCB Finance 6.375% Senior Bonds 01/07/2020	264	0.70
€352,000	UPCB Finance 7.625% Senior Bonds 15/01/2020	317	0.84
€163,000	Viridian 11.125% Senior European Medium Term Bonds 01/04/2017	150	0.40
€558,000	Wind Acquisition Finance 7.375% Senior European Medium Term Bonds 15/02/2018	492	1.30

Portfolio statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
Euro Denominated Fixed Rate Corporate Bonds (continued)			
€542,000	Wind Acquisition Finance 11.75% European Medium Term Bonds 15/07/2017	480	1.26
€200,000	Xella Finance 9.125% Senior European Medium Term Bonds 15/09/2018	175	0.46
€332,000	Ziggo 8% Guaranteed Bonds 15/05/2018	293	0.77
€204,000	Zobe 7.875% Senior European Medium Term Bonds 01/02/2018	179	0.47
		26,043	68.60
Euro Denominated Open Forward Exchange Contracts (0.01%)			
€800,000	Euro vs Sterling Forward Exchange Contract	(3)	(0.01)
Swiss Franc Denominated Fixed Rate Corporate Bond 1.27%			
CHF 100,000	Matterhorn Mobile 5.396% Senior European Medium Term Bonds 15/05/2019	69	0.18
CHF 224,000	Matterhorn Mobile 6.75% Senior European Medium Term Bonds 15/05/2019	165	0.44
CHF 150,000	Sunrise Communications International 5.625% Senior European Medium Term Bonds 31/12/2017	106	0.28
CHF 201,000	UPC 6.75% Senior Bonds 15/03/2023	140	0.37
		480	1.27
North America 4.84%			
US Dollar Denominated Fixed Rate Corporate Bond 4.84%			
\$198,000	Aguila 7.875% Senior European Medium Term Bonds 31/01/2018	127	0.33
\$93,000	ArcelorMittal 5% Senior Bonds 25/02/2017	60	0.16
\$290,000	Barclays 8.25% Perpetual Subordinated Bonds	181	0.48
\$250,000	Chrysler 8.25% European Medium Term Bonds 15/06/2021	173	0.45
\$200,000	Credit Agricole 8.125% Subordinated Bonds 19/09/2033	134	0.35
\$200,000	Credit Suisse 6.5% Subordinated Bonds 08/08/2023	129	0.34
\$200,000	Credit Suisse Group 7.5% Perpetual Subordinated Bonds	128	0.34
\$200,000	Dufry Finance 5.5% Guaranteed Bonds 15/10/2020	124	0.33
\$200,000	KBC Bank 8% Subordinated Bonds 25/01/2023	132	0.35
\$200,000	Nara Cable 8.875% Senior European Medium Term Bonds 01/12/2018	130	0.34
\$200,000	Ocean Rig 9.5% Senior Bonds 27/04/2016	128	0.34
\$277,939	OSX 3 Leasing 9.25% Senior European Medium Term Bonds 20/03/2015	145	0.38
\$182,769	PSOS Finance 12% Senior European Medium Term Bonds 06/10/2015	114	0.30
\$208,000	Sable International Finance 7.75% Senior European Medium Term Bonds 15/02/2017	131	0.35
		1,836	4.84
Investment assets*		37,158	97.88
Net other assets		804	2.12
Total net assets		37,962	100.00

* Including investment liabilities.

The sub-fund launched on 24 April 2013, therefore there are no comparatives.

All investments are approved securities being either officially listed in a member state or traded on or under the rules of an eligible securities market, unless otherwise stated.

Statement of total return

for the period from 24 April 2013 to 31 December 2013

		24.04.13 to 31.12.13 £'000	24.04.13 to 31.12.13 £'000
	Notes		
Income			
Net capital gains	2		686
Revenue	3	1,569	
Expenses	4	(386)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		1,182	
Taxation	5	-	
Net revenue after taxation			1,182
Total return before distributions			1,868
Finance costs: Distributions	6		(1,513)
Change in net assets attributable to shareholders from investment activities			355

Statement of change in net assets attributable to shareholders

for the period from 24 April 2013 to 31 December 2013

	24.04.13 to 31.12.13 £'000	24.04.13 to 31.12.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	47,825	
Amounts paid on cancellation of shares	(10,218)	
		37,607
Change in net assets attributable to shareholders from investment activities		355
Closing net assets attributable to shareholders		37,962

The sub-fund launched on 24 April 2013, therefore no comparatives are included.

The notes on pages 370 to 375 form an integral part of these financial statements.

Balance sheet

as at 31 December 2013

	Notes	31.12.13 £'000	31.12.13 £'000
Assets			
Investment assets			37,164
Debtors	7	863	
Cash and bank balances	8	390	
Total other assets			1,253
Total assets			38,417
Liabilities			
Investment liabilities			(6)
Creditors	9	(183)	
Bank overdraft		(118)	
Distribution payable on income shares		(148)	
Total other liabilities			(449)
Total liabilities			(455)
Net assets attributable to shareholders			37,962

The sub-fund launched on 24 April 2013, therefore no comparatives are included.

The notes on pages 370 to 375 form an integral part of these statements.

Notes to the financial statements

for the period from 24 April 2013 to 31 December 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Threadneedle High Yield Bond Fund are included on pages 18 to 19 of the Notes to the aggregated financial statements.

2 Net capital gains

The net gains on investments comprise:

Losses on non-derivatives securities

Gains on currency contracts

Gains on forward currency contracts

Handling charges

Net capital gains on investments

24.04.13 to

31.12.13

£'000

(96)

38

746

(2)

686

3 Revenue

Interest on overseas debt securities

Interest on UK debt securities

Total revenue

24.04.13 to

31.12.13

£'000

1,115

454

1,569

4 Expenses

Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and the agents of either of them:

Authorised Corporate Director's periodic charge

331

331

Payable to the Depositary, associates of the Depositary, and agents of either of them:

Depositary's fees

3

Safe custody fees

4

7

Other expenses:

Administration fees

31

Audit fees

11

Legal fees

1

Professional fees

5

48

Total expenses

386

* The Audit fee for the period, excluding VAT, was £9,300.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	24.04.13 to 31.12.13 £'000
Overseas tax suffered	-
Total current tax charge for the period (see note 5(b))	-
Deferred tax charge for the period (see note 5(c))	-
Total taxation for the period	-

b) Factors affecting current tax charge for the period

	24.04.13 to 31.12.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open ended investment company (20%). The differences are explained below:	
Net revenue before taxation	1,182
Corporation tax at 20%	236
Effects of:	
Tax deductible on interest distributions	(236)
Total current tax charge for the period (see note 5 (a))	-

OEIC's are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

	24.04.13 to 31.12.13
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	-
Deferred tax at the end of the period	-

At 31 December 2013 the sub-fund had no surplus management expenses.

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	24.04.13 to 31.12.13 £'000
First Interim (31 May)	204
Second Interim (30 June)	210
Third Interim (31 July)	193
Fourth Interim (31 August)	177
Fifth Interim (30 September)	165
Sixth Interim (31 October)	196
Seventh Interim (30 November)	177
Final (31 December)	186
	1,508
Revenue deducted on cancellation of shares	20
Revenue received on issue of shares	(15)
Finance costs: Distributions	1,513
Finance costs: Interest	1
Total finance costs	1,514
Reconciliation of distributions:	
Net revenue after taxation	1,182
Capitalised fees	331
Finance costs: Distributions	1,513

Details of the interim and final distributions per share are set out in the tables on pages 375 and 376.

7 Debtors

	31.12.13 £'000
Accrued revenue	800
Amounts receivable for issue of shares	63
Total debtors	863

8 Cash and bank balances

	31.12.13 £'000
Cash and bank balances	390
Total cash and bank balances	390

Notes to the financial statements (continued)

9 Creditors

	31.12.13 £'000
Accrued expenses	40
Accrued Authorised Corporate Director's periodic charge	41
Accrued Depositary's fees	1
Amounts payable for cancellation of shares	56
Income tax payable	45
Total creditors	183

10 Related party transactions

Old Mutual Investment Management Limited, as ACD, is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to shareholders on page 368. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund, in pursuing its objective, holds a number of financial instruments, which may comprise of the following:

Fixed income securities and floating rate securities.

The sub-fund will also hold cash and other short term debtors and creditors that arise directly from its operations.

In addition, the sub-fund may hold derivatives in the form of forward foreign exchange contracts and/or futures contracts for the purpose of efficient portfolio management in accordance with the COLL Sourcebook.

The financial instruments are held in line with the sub-fund's investment policy.

Each Investment Adviser is responsible for monitoring the portfolio of his sub-fund in accordance with its investment objective and seeks to ensure that individual assets also meet a risk reward profile that is acceptable. The ACD has appointed specialist managers to manage the sub-fund, and continuously monitors this appointment.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Scheme Particulars and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement of each sub-fund.

The inherent risks remain unchanged since the last Annual Report was produced. However the risks have heightened due to global investor uncertainty following political unrest in the Middle East and North Africa and the deepening of the crisis in Europe. There are also concerns over slower growth and inflation in emerging markets.

The main risks arising from financial instruments are interest rate risk, foreign currency risk, credit risk, counterparty risk, liquidity risk and market risk which are summarised below.

b) Foreign currency risk

A significant proportion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the market price of investments and, due to timing differences between the transaction dates of investment sales, purchases and income, and actual cash settlement, create currency exchange gains/losses. The Investment Manager does seek to reduce some of this risk by using forward currency contracts.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

b) Foreign currency risk (continued)

The direct foreign currency exposure of the sub-fund as at 31 December 2013 was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total
	31.12.13 £'000	31.12.13 £'000	31.12.13 £'000
Euro	(118)	(277)	(395)
Swiss Franc	3	(7)	(4)
US Dollar	10	(13)	(3)
Total	(105)	(297)	(402)

* For the purpose of the above disclosure, monetary is taken to include only cash or near-cash items.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 31 December 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Euro	-	-	26,707	26,707
Sterling	377	-	38,987	39,364
Swiss Franc	3	-	479	482
US Dollar	10	-	1,836	1,846
Total	390	-	68,009	68,399

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000	£'000	£'000
Euro	(118)	(26,984)	(27,102)
Sterling	-	(1,001)	(1,001)
Swiss Franc	-	(486)	(486)
US Dollar	-	(1,849)	(1,849)
Total	(118)	(30,320)	(30,438)

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

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

2013	Fixed rate financial assets	
	Weighted Average interest rate	Weighted average period for which rate is fixed
Euro	7.57%	5.72 years
Euro Fixed Perpetual	7.14%	-
Sterling	8.05%	7.29 years
Sterling Fixed Perpetual	10.12%	-
Swiss Franc	6.31%	6.19 years
US Dollar	8.18%	6.31 years
US Dollar Fixed Perpetual	7.94%	-
US Dollar	x.xx	x.xx

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

d) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. The risk is managed by the Investment Adviser who monitors the credit profile of financial instruments in accordance with the objective and policy of the sub-fund.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations also mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager's review and the Portfolio statement.

As at 31 December 2013 the sub-fund's exposure to investment grade rated was 8.64% (Source: Old Mutual Global Investors Limited/Factsheet)

Analysis of bonds	£'000	%
Investment Grade	3,278	8.64
Below Investment Grade	32,375	85.28
Unrated	1,413	3.72
	37,066	97.64

e) Counterparty risk

Certain transactions in financial instruments that a sub-fund enters into have the risk that the counterparty will not meet its financial obligations, i.e. the investment (purchase) or cash (sale) after the sub-fund has fulfilled its responsibilities.

The sub-funds will only buy and sell investments through brokers which have been approved by the ACD and Investment Adviser as an acceptable counterparty. This is overseen by the Trustee to ensure that the exposure to any counterparty remains appropriate for investors.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Scheme Particulars and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

h) Fair value of financial assets and liabilities

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

i) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Fidelity Strategic Bond Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are used to efficiently manage the tactical asset allocation positioning of the sub-fund, Old Mutual Fidelity Strategic Bond Fund. The benchmark for the relative measure of Value at Risk (VaR) is the MSCI World GDP. The VaR for the sub-fund and the benchmark as at 31 December 2013 was 2.27% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 2.10%, 2.43% and 2.79%.

The sub-fund is limited to 100.00% net leverage, and this limit has not been exceeded over the year. Using the "sum of notionals" methodology, the leverage as at the 31 December 2013 was 0.00%.

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no commissions, stamp duty or taxes paid in relation to the transactions on the bond portfolio for current year.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Threadneedle High Yield Bond Fund are included on page 26 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 361.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 December 2013
 Group 2: Shares purchased from 1 December 2013 to 31 December 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.01.14 pence per share
Income 'A' Shares					
Group 1	0.4936	0.0987	0.3949	-	0.3949
Group 2	0.1950	0.0390	0.1560	0.2389	0.3949

Seventh interim distribution

Group 1: Shares purchased prior to 1 November 2013
 Group 2: Shares purchased from 1 November 2013 to 30 November 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.13 pence per share
Income 'A' Shares					
Group 1	0.4578	0.0916	0.3662	-	0.3662
Group 2	0.2639	0.0562	0.2111	0.1551	0.3662

Sixth interim distribution

Group 1: Shares purchased prior to 1 October 2013
 Group 2: Shares purchased from 1 October 2013 to 31 October 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.11.13 pence per share
Income 'A' Shares					
Group 1	0.5124	0.1025	0.4099	-	0.4099
Group 2	0.0051	0.0010	0.0041	0.4058	0.4099

Fifth Interim distribution

Group 1: Shares purchased prior to 1 September 2013
 Group 2: Shares purchased from 1 September 2013 to 30 September 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.10.13 pence per share
Income 'A' Shares					
Group 1	0.4498	0.0900	0.3598	-	0.3598
Group 2	0.2164	0.0433	0.1731	0.1867	0.3598

Distribution table

Fourth interim distribution

Group 1: Shares purchased prior to 1 August 2013
 Group 2: Shares purchased from 1 August 2013 to 31 August 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.09.13 pence per share
Income 'A' Shares					
Group 1	0.4744	0.0949	0.3795	-	0.3795
Group 2	0.2596	0.0519	0.2077	0.1718	0.3795

Third Interim distribution

Group 1: Shares purchased prior to 1 July 2013
 Group 2: Shares purchased from 1 July 2013 to 30 July 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.08.13 pence per share
Income 'A' Shares					
Group 1	0.5148	0.1030	0.4118	-	0.4118
Group 2	0.2780	0.0556	0.2224	0.1894	0.4118

Second Interim distribution

Group 1: Shares purchased prior to 1 June 2013
 Group 2: Shares purchased from 1 June 2013 to 30 June 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.07.13 pence per share
Income 'A' Shares					
Group 1	0.5481	0.1096	0.4385	-	0.4385
Group 2	0.3101	0.0620	0.2481	0.1904	0.4385

First Interim distribution

Group 1: Shares purchased on 24 April 2013
 Group 2: Shares purchased from 24 April 2013 to 31 May 2013

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.10.13 pence per share
Income 'A' Shares					
Group 1	0.5051	0.1010	0.4041	-	0.4041
Group 2	0.2138	0.0428	0.1710	0.2331	0.4041

* Equalisation only applies to shares purchased during the period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

** There may be no tax in the case of interest distributions paid gross to shareholders.