

Old Mutual Balanced 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.

Depository

National Westminster Bank Plc
Trustee and Depository Services
135 Bishopsgate
London
EC2M 3UR

Authorised and regulated by the Financial Conduct Authority.

Legal Advisers

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditors

KPMG Audit Plc
20 Saltire Court
Edinburgh
EH1 2EG

Administrator

Citibank NA London Branch
Citigroup Centre
25 Canada Square
London
EC14 5LB

Registrar

Citibank
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 N. A. London Branch
Citigroup Centre
25 Canada Square
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.

Directors of the ACD

J D F Ide
J E Millard (resigned 10 January 2013)
M Dean (appointed 1 January 2013)
P J R Nathan

Fund information (continued)

Investment Adviser

Old Mutual Global Equity Income Fund
O'Shaughnessy Asset Management LLC
6 Suburban Avenue
Stamford, CT 06901
USA

Old Mutual Investment Management Ltd, a member of the Old Mutual Group of companies, is authorised and regulated by the Financial Conduct Authority. FCA Register number 208543. Registered Office: Millennium Bridge House, 2 Lambeth Hill, London, EC4V 4AJ, United Kingdom.
Registered Number: 4227837 England. www.omglobalinvestors.com

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

Directors' report

The Directors present their report and financial statements for the Old Mutual Balanced Funds ("the Fund") for the year end 31 December 2013. The Old Mutual Voyager Strategic Bond Fund, formerly the Bond Income Fund, and Old Mutual Global Equity Income Fund, formerly the Equity Income Fund, were launched on 22 August 2003. Shares for each sub-fund were first offered for sale at 50p each.

Authorised status

The Fund is an Investment Company with Variable Capital ("ICVC") under Regulation 12 (authorisation) of the Open-ended Investment Company ("OEIC") Regulations. It is incorporated in the United Kingdom and authorised by the Financial Conduct Authority under the OEIC Regulations 2001 and the Collective Investment Schemes Sourcebook ("the Regulations").

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.

Protected Cell Regime

With effect from 21 December 2011, the Open-ended Investment Companies (amendment) Regulations 2011 introduced a Protected Cell Regime for UK OEICs. This legislative change ring-fences the assets and liabilities of individual sub-funds, with assets of a particular sub-fund not permitted to be used to discharge the liabilities of, or claims against, the Umbrella Company or any other sub-fund. The legislation allowed for a transitional period of up to two years to implement this change. In accordance with regulatory requirements the umbrella filed with the FCA an application to obtain protected cell status for the year commencing 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 its sub-funds. The new Income 'R' 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 as below:

Sub-fund name	Launch date
Old Mutual Global Equity Income Fund	2 April 2013
Old Mutual Voyager Strategic Bond Fund	26 February 2013

Additional information

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

As at 31 December 2013 the Fund had the following 2 sub-funds:

Sub-fund name	Launch date
Old Mutual Global Equity Income Fund	22 August 2003
Old Mutual Voyager Strategic Bond Fund	22 August 2003

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.


J Ide
Director
Old Mutual Investment Management Limited

1 April 2014


P J R Nathan
Director
Old Mutual Investment Management Limited

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 by share class	Shares in issue	Net asset value per share	Net asset value of sub-fund by share class	Shares in issue	Net asset value per share
Old Mutual Global Equity Income Fund						
- Income 'A'	£19,003,467	34,832,382	54.56p	£20,829,992	41,289,165	50.45
- Income 'R'	£305,354	557,787	54.74p	-	-	-
- Income 'S'	31,212,604	56,676,472	55.07p	£31,664,979	62,331,554	50.80
Old Mutual Voyager Strategic Bond Fund						
- Euro Hedged Accumulation	£783,153	1,415,986	53.54p	£501,019	946,654	52.93
- GBP Income 'A'	£125,518,714	234,456,411	53.54p	£149,567,295	278,837,966	53.64
- GBP Income 'R'	£2,794,814	5,218,048	53.56p	-	-	-
- USD Hedged Accumulation	£23,459,692	40,774,734	57.53p	£21,322,710	37,241,368	57.26

* Launched 2 April 2013

** Launched 26 February 2013

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 Fund 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;
- keep proper accounting records which enable it to demonstrate that the financial statements, as prepared, comply with the above requirements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the scheme will continue in operation; 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 Balanced 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 Balanced 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') Old Mutual Investment Management Limited and auditor

As explained more fully in the Statement of ACD's Responsibilities set out on page 6 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 gains 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 the information and explanations which we consider necessary for the purposes of our 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 gains	2		3,402		16,123
Revenue	3	11,891		12,710	
Expenses	4	(2,220)		(2,410)	
Finance costs: Interest	6	(4)		(2)	
Net revenue before taxation		9,667		10,298	
Taxation	5	(328)		(414)	
Net revenue after taxation			9,339		9,884
Total return before distributions			12,741		26,007
Finance costs: Distributions	6		(9,525)		(10,203)
Change in net assets attributable to shareholders from investment activities			3,216		15,804

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		223,886		214,249
Amounts received on issue of shares	24,243		43,904	
Amounts paid on cancellation of shares	(49,086)		(50,818)	
		(24,843)		(6,914)
Stamp duty reserve tax		(7)		(11)
Change in net assets attributable to shareholders from investment activities		3,216		15,804
Retained distribution on accumulation shares		825		758
Closing net assets attributable to shareholders		203,077		223,886

The notes on pages 11 to 18 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			204,281		222,179
Debtors	7	1,330		903	
Cash and bank balances	8	947		4,149	
Total other assets			2,277		5,052
Total assets			206,558		227,231
Liabilities					
Investment liabilities			(281)		(149)
Creditors	9	(1,412)		(1,356)	
Bank overdrafts		(16)		-	
Distribution payable on income shares		(1,772)		(1,840)	
Total other liabilities			(3,200)		(3,196)
Total liabilities			(3,481)		(3,345)
Net assets attributable to shareholders			203,077		223,886

The notes on pages 11 to 18 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, except those relating to the purchase and sale of investments, capitalised ACD's periodic charge and stamp duty reserve tax, are charged against revenue in arriving at the distributable amount. The policy of the ACD is to allocate the charges and expenses for the Old Mutual Voyager Strategic Bond Fund to revenue with the exception of transaction costs which are treated as capital expenses. For the Old Mutual Global Equity Income Fund all charges and expenses will be allocated to revenue with the exception of the ACD's fee which is treated as a capital expense.

g) Rebate of Authorised Corporate Director's fee from underlying instruments

The Fund may be entitled to a rebate of Authorised Corporate Director's charge, or is sometimes paid as renewal commission, when it holds underlying investment in Collective Investment Schemes. This is accrued daily and treated as revenue or capital depending on the treatment of the ACD charge in the underlying investment.

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

The revenue available for distribution or accumulation in relation to a Fund is determined in accordance with the COLL Sourcebook. For the Old Mutual Global Equity Income Fund all available revenue is distributed in respect of each accounting period, twice a year. For the Old Mutual Voyager Strategic Bond Fund all available revenue is distributed quarterly.

Notes to the aggregated financial statements (continued)

1 Accounting policies (continued)

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 Balanced Funds is 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.

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 gains/(losses)" 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 gains

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
The net capital gains on investments comprise:		
Gains on non-derivative securities	4,720	19,380
Losses on currency contracts	(40)	(2,137)
Gains on derivative contracts	16	-
Losses on forward currency contracts	(1,288)	(1,092)
Handling charges	(6)	(28)
Net capital gains	3,402	16,123

3 Revenue

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Authorised Corporate Director's fee rebate	329	471
Authorised Corporate Director's capitalised fee rebate	506	479
Bank and term deposit interest	4	8
Franked distributions on Collective Investment Schemes	143	130
Non-taxable overseas dividends	2,167	3,189
Taxable overseas dividends	69	75
UK dividends	698	363
Non-taxable distributions on Offshore Funds	1,435	540
Unfranked distributions on Collective Investment Schemes	6,540	7,455
Total revenue	11,891	12,710

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 agents of either of them:		
Authorised Corporate Director's periodic charge	1,884	1,975
	<u>1,884</u>	<u>1,975</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	27	28
Safe custody fees	16	21
	<u>43</u>	<u>49</u>
Other expenses:		
Administration fees	173	298
Audit fees*	17	14
Currency hedge fees	-	16
FT publication fees	-	(16)
Investment adviser fees	62	53
Legal fees	9	-
Registration fees	3	11
Risk & compliance monitoring fees	29	2
Sundry fees	-	8
	<u>293</u>	<u>386</u>
Total expenses	<u>2,220</u>	<u>2,410</u>

*The Audit fee for the year, excluding VAT, was £14,300 (31 December 2012: £11,372).

Notes to the aggregated financial statements (continued)

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
Corporation tax suffered	101	96
Overseas tax suffered	227	318
Total current tax charge for the year	328	414
Deferred tax charge for the year	-	-
Total taxation for the year	328	414

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.

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)	1,649	1,676
Second Interim (30 June)	3,820	4,226
Third Interim (30 September)	1,667	1,903
Final (31 December)	2,198	2,267
	9,334	10,072
Revenue deducted on cancellation of shares	366	496
Revenue received on issue of shares	(175)	(365)
Finance costs: Distributions	9,525	10,203
Finance costs: Interest	4	2
Total finance costs	9,529	10,205
Reconciliation of distributions:		
Net revenue after taxation	9,339	9,884
Authorised Corporate Director's capitalised fee rebates	(506)	(479)
Capitalised fees	591	702
Tax charge on capitalised fee rebates	101	96
Finance costs: Distributions	9,525	10,203

Notes to the aggregated financial statements (continued)

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's fee rebates	275	293
Accrued revenue	65	434
Amounts receivable for issue of shares	380	105
Currency contracts receivable	294	1
Overseas tax recoverable	107	70
Sales awaiting settlement	209	-
Total debtors	1,330	903

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Amounts held at futures clearing houses and brokers	204	-
Cash and bank balances	743	4,149
Total cash and bank balances	947	4,149

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	151	166
Accrued Depositary's fees	3	3
Accrued Investment Adviser's fees	5	9
Accrued expenses	132	115
Amounts payable for cancellation of shares	448	502
Corporation tax payable	101	96
Currency contracts payable	289	-
Income tax payable	283	465
Total creditors	1,412	1,356

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 Aggregated statement of change in net assets attributable to shareholders on page 9. 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.

The sub-fund held the following securities and received the noted income in related funds throughout the year to 31 December 2013:

Shares	Security Name	Market Value £'000	Gross Interest Received £'000
65,074,192	Old Mutual Specialist Funds - Old Mutual Bond 1 Fund	30,351	1,975
16,823,079	Old Mutual Specialist Funds - Old Mutual Bond 2 Fund	7,394	1,110
68,375,012	Old Mutual Specialist Funds - Old Mutual Bond 3 Fund	29,087	2,435
733,979	Old Mutual Local Currency Emerging Market Debt Fund	5,975	371
2,836,779	Old Mutual Specialist Funds - Gilt Fund	1,979	3

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 variable rate securities or funds of these instruments.

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

In addition, the 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 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 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 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.

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 is 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.

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, ie 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 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 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 Directors, 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.

14 Shareholders' funds

The Fund currently has seven share classes; Income 'A', Income 'R' and Income 'S' on the Old Mutual Global Equity Income Fund and EUR Hedged Accumulation, GBP Income 'A', GBP Income 'R' and USD Hedged Accumulation on the Old Mutual Voyager Strategic Bond Fund. The net asset value of each share class, 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
Old Mutual Global Equity Income Fund - Income 'A'	1.25%	1.25%
Old Mutual Global Equity Income Fund - Income 'R**	0.75%	n/a
Old Mutual Global Equity Income Fund - Income 'S'	1.00%	1.00%
Old Mutual Voyager Strategic Bond Fund – EUR Hedged Accumulation	0.80%	0.80%
Old Mutual Voyager Strategic Bond Fund – GBP Income 'A'	0.80%	0.80%
Old Mutual Voyager Strategic Bond Fund – GBP Income 'R**	0.30%	n/a
Old Mutual Voyager Strategic Bond Fund – USD Hedged Accumulation	0.80%	0.80%

* Launched 2 April 2013

** Launched 26 February 2013

Old Mutual Global Equity Income Fund

Launch date	22 August 2003
Sector classification	Global Growth
Investment adviser	O'Shaughnessy Asset Management LLC
Net asset value	£50,521,425

Objective

The sub-fund aims to provide income with some long-term capital growth.

Policy

The sub-fund will invest in a portfolio of predominantly global equities either directly in transferable securities or, up to a maximum of 10% of the scheme property, through collective investment schemes (including those managed and operated by the ACD or associates of the ACD) in order to provide exposure to a diversified portfolio of global equities.

The sub-fund may also invest directly in derivative instruments and forward transactions for the purposes of meeting the investment objective or efficient portfolio management, cash, near-cash, moneymarket instruments, permitted deposits 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 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'	£18,683,318	37,536,433	49.77
Income 'S' *	£52,551,743	105,105,685	50.00
31.12.12			
Income 'A'	£20,829,992	41,289,165	50.45
Income 'S'	£31,664,979	62,331,554	50.80
31.12.13			
Income 'A'	£19,003,467	34,832,382	54.56
Income 'R**	£305,354	557,787	54.74
Income 'S'	31,212,604	56,676,472	55.07

* from 31 March 2011

** from 2 April 2013

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		
Income 'A'	52.99	36.61
2010		
Income 'A'	55.55	47.24
2011		
Income 'A'	55.25	44.57
Income 'S**	54.80	44.72
2012		
Income 'A'	52.79	46.47
Income 'S'	52.19	46.79
2013		
Income 'A'	58.64	51.12
Income 'R**	58.71	52.13
Income 'S'	59.18	51.47

* from 31 March 2011

** from 2 April 2013

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

Calendar year	Pence per share
2009	
Income 'A'	3.0478
2010	
Income 'A'	2.8407
2011	
Income 'A'	2.6413
Income 'S**	0.9602
2012	
Income 'A'	2.2537
Income 'S'	2.4118
2013	
Income 'A'	2.2561
Income 'R**	1.5314
Income 'S'	2.4489
2014***	
Income 'A'	0.9292
Income 'R'	0.9724
Income 'S'	1.0458

* from 31 March 2011

** from 2 April 2013

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

Old Mutual Global Equity Income Fund

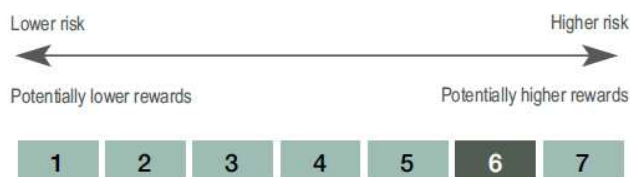
Investment Manager's review

The Old Mutual Global Equity Income Fund had positive returns in 2013, though behind its reference index, the MSCI All Country World.

Sector positioning was negative overall in relative terms. The main detractor was the sub-fund's significant overweight to the energy sector, which had positive absolute returns but below the market as a whole. Allocations to telecoms and consumer discretionary were also negative, while materials, IT and industrials were positive. From a regional perspective, both North America and Latin America were negative. The UK provided the only significant positive return. Mega cap value and small cap growth stocks provided the best positive returns, relative to the benchmark, and small cap value were the key detractors.

Relative returns at a stock level were mixed. The largest overweight position, Telstra Corporation, was negative, as were Canadian Oil Sands and Telefonica Brasil. BAE Systems, AstraZeneca and Orange, by contrast, were positive. Not owning Apple was mildly positive. Stocks which added most to performance included Lockheed Martin, Vodafone and Deutsche Telekom. Besides those already mentioned, among overweight positions that detracted from relative performance were Yanzhou Coal Mining, CenturyLink and Ecopetrol.

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 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.

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 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 a more detailed explanation of risks, please refer to the "Risks" section of the Prospectus.

Portfolio allocation

United States	21.65%
United Kingdom	15.75%
Canada	17.58%
France	9.11%
Australia	4.84%
Netherlands	4.35%
Germany	4.23%
Brazil	4.21%
Japan	3.98%
Russia	3.47%
Columbia	3.13%
Italy	2.85%
Ireland	1.26%
China	1.20%
Switzerland	1.09%
South Korea	0.83%
Africa	0.74%
Norway	0.45%

Net other liabilities (0.72)%

Total 100.00%

Asset allocation

Equities 100.72%

Net other liabilities (0.72)%

Total 100.00%

Major holdings
Percentage of portfolio

AstraZeneca	5.09%
Telstra	4.84%
Orange	4.58%
Canadian Oil Sands	4.57%
Total	4.37%
Deutsche Telekom	4.23%
CenturyLink	4.07%
BP	3.98%
Telefonica Brasil	3.91%
BCE	3.70%

Number of holdings 51

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	1.81%
31.12.12 Income 'S'	1.25%
31.12.13 Income 'A'	1.82%
31.12.13 Income 'R**'	1.31%
31.12.13 Income 'S'	1.21%

* The ongoing charges figure is the ratio of the sub-fund's ongoing charges (including the ongoing charges of any collective investment schemes in which the sub-fund invests but excluding interest on borrowings) 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 15.75% (31 December 2012 15.87%)		
	Aerospace & Defence 3.65% (31 December 2012 4.96%)		
424,863	BAE Systems	1,842	3.65
	Banks 0.00% (31 December 2012 1.21%)		
	Mining 0.10% (31 December 2012 0.35%)		
2,824	BHP Billiton	53	0.10
	Mobile Telecommunications 2.93% (31 December 2012 2.84%)		
621,308	Vodafone	1,478	2.93
	Oil & Gas Producers 3.98% (31 December 2012 2.06%)		
410,423	BP	2,011	3.98
	Pharmaceuticals & Biotechnology 5.09% (31 December 2012 4.45%)		
71,676	AstraZeneca	2,570	5.09
	Overseas 84.97% (31 December 2012 82.13%)		
	Africa 0.74% (31 December 2012 0.65%)		
12,668	Sasol	374	0.74
	Asia Pacific (excluding Japan) 6.87% (31 December 2012 18.97%)		
	Australia 4.84% (31 December 2012 4.98%)		
862,779	Telstra	2,446	4.84
	China 1.20% (31 December 2012 5.54%)		
992,209	China Petroleum & Chemical	490	0.97
212,683	Yanzhou Coal Mining	118	0.23
		608	1.20
	Indonesia 0.00% (31 December 2012 2.11%)		
	South Korea 0.83% (31 December 2012 6.07%)		
47,026	KT ADR	419	0.83
	Taiwan 0.00% (31 December 2012 0.27%)		
	Europe 26.81% (31 December 2012 31.70%)		
	Finland 0.00% (31 December 2012 0.62%)		

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	France 9.11% (31 December 2012 10.19%)		
4,838	AXA	81	0.16
310,204	Orange	2,311	4.58
59,477	Total	2,208	4.37
		4,600	9.11
	Germany 4.23% (31 December 2012 6.47%)		
205,818	Deutsche Telekom	2,136	4.23
	Ireland 1.26% (31 December 2012 1.31%)		
18,637	Seagate Technology	638	1.26
	Italy 2.85% (31 December 2012 5.83%)		
98,821	Eni	1,440	2.85
	Netherlands 4.35% (31 December 2012 1.00%)		
53,521	Royal Dutch Shell	1,158	2.29
134,329	VimpelCom ADR	1,040	2.06
		2,198	4.35
	Norway 0.45% (31 December 2012 0.41%)		
3,811	Statoil	56	0.11
11,947	Telenor	172	0.34
		228	0.45
	Russia 3.47% (31 December 2012 1.34%)		
288,179	Gazprom ADR	1,475	2.92
21,291	Mobile Telesystems ADR	278	0.55
		1,753	3.47
	Switzerland 1.09% (31 December 2012 4.53%)		
9,914	Swiss Re	552	1.09
	Japan 3.98% (31 December 2012 1.02%)		
28,700	Canon	550	1.09
9,800	Eisai	230	0.45
37,900	Mitsui	319	0.63
1,500	Nippon Telegraph & Telephone	49	0.10
86,900	NTT DOCOMO	863	1.71
		2,011	3.98
	North America 39.23% (31 December 2012 26.71%)		
	Canada 17.58% (31 December 2012 13.62%)		
41,975	Bank of Montreal	1,685	3.34
71,232	BCE	1,868	3.70
203,041	Canadian Oil Sands	2,309	4.57
44,285	Husky Energy	833	1.65
33,589	Potash	668	1.32
4,236	Royal Bank of Canada	172	0.34
16,139	Shaw Communications	234	0.46
36,050	Sun Life Financial	770	1.52
16,309	Telus	341	0.68
		8,880	17.58

Portfolio Statement (continued)

as at 31 December 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
United States of America 21.65% (31 December 2012 13.09%)			
70,249	AT&T	1,495	2.96
24,762	CA	504	1.00
106,405	CenturyLink	2,058	4.07
29,648	ConocoPhillips	1,254	2.48
4,074	Freeport-McMoRan Copper & Gold 'B'	93	0.18
40,892	Intel	639	1.27
17,828	Lockheed Martin	1,587	3.14
38,949	Lorillard	1,194	2.36
18,579	Newmont Mining	258	0.51
27,310	Transocean	807	1.60
35,280	Verizon Communications	1,049	2.08
		10,938	21.65
South America 7.34% (31 December 2012 3.08%)			
Brazil 4.21% (31 December 2012 3.08%)			
41,274	Cia Siderurgica Nacional	152	0.30
171,927	Telefonica Brasil	1,977	3.91
		2,129	4.21
Colombia 3.13% (31 December 2012 0.00%)			
68,863	Ecopetrol ADR	1,583	3.13
Investment assets		50,887	100.72
Net other liabilities		(366)	(0.72)
Total net assets		50,521	100.00

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

	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		4,940		1,136
Revenue	3	2,935		3,628	
Expenses	4	(767)		(900)	
Finance costs: Interest	6	(1)		(2)	
Net revenue before taxation		2,167		2,726	
Taxation	5	(227)		(318)	
Net revenue after taxation			1,940		2,408
Total return before distributions			6,880		3,544
Finance costs: Distributions	6		(2,531)		(3,110)
Change in net assets attributable to shareholders from investment activities			4,349		434

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		52,495		71,235
Amounts received on issue of shares	3,573		8,527	
Amounts paid on cancellation of shares	(9,892)		(27,696)	
		(6,319)		(19,169)
Stamp duty reserve tax		(4)		(5)
Change in net assets attributable to shareholders from investment activities		4,349		434
Closing net assets attributable to shareholders		50,521		52,495

The notes on pages 27 to 35 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			50,887		51,445
Debtors	7	595		145	
Cash and bank balances	8	356		2,070	
Total other assets			951		2,215
Total assets			51,838		53,660
Liabilities					
Creditors	9	(395)		(356)	
Distribution payable on income shares		(922)		(809)	
Total other liabilities			(1,317)		(1,165)
Total liabilities			(1,317)		(1,165)
Net assets attributable to shareholders			50,521		52,495

The notes on pages 27 to 35 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 Equity Income Fund are included on pages 11 to 12 of the Notes to the aggregated financial statements.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Losses on currency contracts

Losses on forward currency contracts

Handling charges

Net capital gains

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
4,964	2,870
(3)	(1,705)
(16)	(12)
(5)	(17)
4,940	1,136

3 Revenue

Bank and term deposit interest

Non-taxable overseas dividends

Taxable overseas dividends

UK dividends

Total revenue

01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
1	1
2,167	3,189
69	75
698	363
2,935	3,628

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 agents of either of them:		
Authorised Corporate Director's periodic charge	591	702
	591	702
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	7	8
Safe custody fees	1	14
	8	22
Other expenses:		
Administration fees	73	111
Audit fees*	7	7
FT publication fees	-	(5)
Investment adviser fees	62	53
Legal fees	3	-
Registration fees	1	4
Risk & compliance monitoring fees	22	1
Sundry fees	-	5
	168	176
Total expenses	767	900

*The Audit fee for the year, excluding VAT, was £6,150 (31 December 2012: £5,686).

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	227	318
Total current tax charge for the year (see note 5(b))	227	318
Deferred tax for the year (see note 5(c))	-	-
Total taxation for the year	227	318

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	2,167	2,726
Corporation tax at 20% (31 December 2012: 20%)	433	545
Effects of:		
Excess management expenses for which no relief taken	140	166
Franked investment revenue at 20%	(139)	(73)
Movement in revenue accruals taxable on receipt	-	2
Non-taxable overseas dividends	(434)	(638)
Overseas tax suffered	227	318
Overseas tax expensed	-	(2)
Total current tax charge for the year (see note 5 (a))	227	318

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 £'000	01.01.12 to 31.12.12 £'000
Deferred tax at the start of the year	-	(28)
Deferred tax credit for the year (see note 5(a))	-	-
Deferred tax at the end of the year	-	(28)

At 31 December 2013 the sub-fund had surplus management expenses of £1,925,017 (31 December 2012: £1,223,552). 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)

as at 31 December 2013

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)	1,558	2,083
Final (31 December)	922	809
	2,480	2,892
Revenue deducted on cancellation of shares	75	304
Revenue received on issue of shares	(24)	(86)
Finance costs: Distributions	2,531	3,110
Finance costs: Interest	1	2
Total finance costs	2,532	3,112
Reconciliation of distributions:		
Net revenue after taxation	1,940	2,408
Capitalised fees	591	702
Finance costs: Distributions	2,531	3,110

Details of the interim and final distributions per share are set out in the table on page 36.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued revenue	65	53
Amounts receivable for issue of shares	-	22
Currency contracts receivable	214	-
Overseas tax recoverable	107	70
Sales awaiting settlement	209	-
Total debtors	595	145

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Cash and bank balances	356	2,070
Total cash and bank balances	356	2,070

Notes to the financial statements (continued)

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	47	50
Accrued Depositary's fees	1	1
Accrued Investment Adviser's fees	5	9
Accrued expenses	70	50
Amounts payable for cancellation of shares	63	246
Currency contracts payable	209	-
Total creditors	395	356

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 monies receivable on issue and payable on cancellation are disclosed in the statement of change in net assets attributable to shareholders on page 25. 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 Old Mutual Investment Management Limited, as 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:

Equities and equity related shares or funds of these instruments.

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.

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 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.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

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		
	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
Australian Dollar	-	2,569	2,569	1	2,616	2,617
Brazilian Real	-	1,577	1,577	2	1,616	1,618
Canadian Dollar	25	10,476	10,501	38	7,148	7,186
Euro	9	8,628	8,637	56	12,626	12,682
Hong Kong Dollar	7	1,054	1,061	7	2,910	2,917
Japanese Yen	-	4,234	4,234	-	538	538
Norwegian Kroner	8	1,336	1,344	13	215	228
South African Rand	2	374	376	2	340	342
Swedish Krona	-	-	-	-	-	-
Swiss Franc	3	2,011	2,014	3	2,015	2,018
US Dollar	14	14,792	14,806	49	12,547	12,596
Total	68	47,051	47,119	171	42,571	42,742

*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 (31 December 2012) was as follows:

Currency	Variable rate financial assets*	Fixed rate financial asset	Financial assets not carrying interest	Total
31.12.13	£'000	£'000	£'000	£'000
Australian Dollar	-	-	2,569	2,569
Brazilian Real	-	-	1,577	1,577
Canadian Dollar	25	-	10,476	10,501
Euro	9	-	8,628	8,637
Hong Kong Dollar	7	-	1,054	1,061
Japanese Yen	-	-	4,234	4,234
Norwegian Kroner	8	-	1,336	1,344
South African Rand	2	-	583	585
Sterling	288	-	4,222	4,510
Swiss Franc	3	-	2,011	2,014
US Dollar	14	-	14,792	14,806
Total	356	-	51,482	51,838

Notes to the financial statements (continued)

as at 31 December 2013

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

	Variable rate financial assets*	Fixed rate financial asset	Financial assets not carrying interest	
	£'000	£'000	£'000	Total
31.12.12				
Australian Dollar	1	-	2,616	2,617
Brazilian Real	-	-	1,618	1,618
Canadian Dollar	19	-	7,167	7,186
Euro	1	-	12,682	12,683
Hong Kong Dollar	7	-	2,910	2,917
Japanese Yen	-	-	538	538
Norwegian Kroner	-	-	228	228
South African Rand	2	-	340	342
Sterling	1,991	-	8,927	10,918
Swiss Franc	3	-	2,015	2,018
US Dollar	46	-	12,550	12,596
Total	2,070	-	51,591	53,661

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
	£'000	£'000	£'000
31.12.13			
South African Rand	-	(209)	(209)
Sterling	-	(1,108)	(1,108)
Total	-	(1,317)	(1,317)

31.12.12			
Euro	-	(1)	(1)
Sterling	-	(1,165)	(1,165)
Total	-	(1,166)	(1,166)

*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 National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum rate payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right of 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)

as at 31 December 2013

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 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.

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 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 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 Global Equity 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 Global Equity IncomeFund. 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 7.53% and 7.36% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 5.45%, 7.12% and 12.09%.

The sub-fund is limited to 100% 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).

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 year before transaction costs		23,946
Commissions	16	
Other costs	11	
Total purchase costs		27
Gross purchases total		23,973
Analysis of total sale costs		
Gross sales in the year before transaction costs		29,508
Commissions	(18)	
Other costs	(3)	
Total sale costs		(21)
Total sales net of transaction costs		29,487

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Global Equity Income Fund are included on page 18 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 19.

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	Distribution paid 28.02.13 pence per share
Income 'A' Shares				
Group 1	0.9292	-	0.9292	0.7286
Group 2	0.6743	0.2549	0.9292	0.7286
Income 'R' Shares**				
Group 1	0.9724	-	0.9724	-
Group 2	0.2205	0.7519	0.9724	-
Income 'S' Shares				
Group 1	1.0458	-	1.0458	0.8154
Group 2	0.7293	0.3165	1.0458	0.8154

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 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	1.5257	-	1.5275	1.4847
Group 2	0.9002	0.6273	1.5275	1.4847
Income 'R' Shares**				
Group 1	1.5314	-	1.5314	-
Group 2	1.0394	0.4920	1.5314	-
Income 'S' Shares				
Group 1	1.6335	-	1.6335	1.5753
Group 2	1.1764	0.4571	1.6335	1.5753

* Equalisation only applies to shares purchased during the distribution 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 of these shares 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.

* Income 'R' Shares launched 2 April 2013.

Old Mutual Voyager Strategic Bond Fund

Launch date	22 August 2003
Sector classification	IMA £ Strategic Bond
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£152,556,373

Objective

The sub-fund aims to provide long-term total return from capital growth and income.

Policy

The sub-fund will primarily invest through collective investment schemes (including those that are managed or operated by the ACD or an associate of the ACD) in order to provide exposure to a well-diversified global portfolio primarily of debt securities (including bonds issued by corporations, governments and supranational entities and asset-backed and mortgage-backed securities), currencies and preference shares.

The sub-fund may also invest directly in derivative instruments and forward transactions for the purposes of meeting the investment objective or efficient portfolio management, cash, near-cash, money market instruments, permitted deposits and transferable securities, including equities. Forward transactions may also be used with the aim of reducing currency risk for currency hedged share classes.

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			
Euro Hedged Accumulation**	£272,848	576,333	47.34
GBP Income 'A'	£121,906,364	252,158,825	48.35
Retail Income*	-	-	-
USD Hedged Accumulation**	£20,835,030	40,089,159	51.97
31.12.12			
Euro Hedged Accumulation	£501,019	946,654	52.93
GBP Income 'A'	£149,567,295	278,837,966	53.64
USD Hedged Accumulation	£21,322,710	37,241,368	57.26
31.12.13			
Euro Hedged Accumulation	£783,153	1,415,986	53.54
GBP Income 'A'	£125,518,714	234,456,411	53.54
GBP Income 'R'***	£2,794,814	5,218,048	53.56
USD Hedged Accumulation	£23,459,692	40,774,734	57.53

* to 31 March 2011

** from 31 March 2011

*** from 26 February 2013

Comparative table

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

Calendar year	Highest price	Lowest price
2009		
Institutional Income	48.44	36.69
Retail Income	48.27	36.61
2010		
Institutional Income	51.68	46.76
Retail Income	51.57	46.67
2011		
Euro Hedged Accumulation**	58.95	54.71
GBP Income 'A'	52.02	46.99
Retail Income*	51.01	49.38
USD Hedged Accumulation**	83.61	77.94
2012		
Euro Hedged Accumulation	65.16	59.38
GBP Income 'A'	52.82	48.42
USD Hedged Accumulation	92.93	84.63
2013		
Euro Hedged Accumulation	68.00	64.00
GBP Income 'A'	55.56	52.81
GBP Income 'R'***	55.46	52.87
USD Hedged Accumulation	96.47	91.95

* closed on 31 March 2011

** from 31 March 2011

*** from 26 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/cent per share
2009	
Institutional Income	2.4017
Retail Income	2.3690
2010	
Institutional Income	1.9734
Retail Income	1.8187
2011	
Euro Hedged Accumulation**	1.1450
Retail Income*	0.8560
GBP Income	1.9655
USD Hedged Accumulation**	1.5988
2012	
Euro Hedged Accumulation	2.2193
GBP Income 'A'	1.8843
USD Hedged Accumulation	3.1395
2013	
Euro Hedged Accumulation	1.5593
GBP Income 'A'	1.3968
GBP Income 'R'***	0.9618
USD Hedged Accumulation	2.3570
2014****	
Euro Hedged Accumulation	0.4307
GBP Income 'A'	0.3533
GBP Income 'R'	0.4228
USD Hedged Accumulation	0.6417

* closed on 31 March 2011

** from 31 March 2011

*** from 26 February 2013

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

Investment Manager's review

The sub-fund outperformed its benchmark over the 12 month review period.

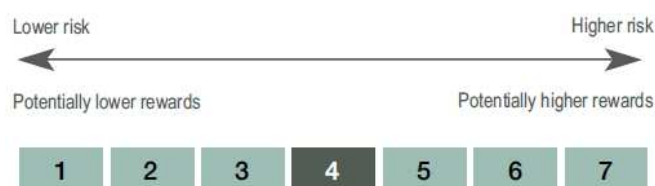
The Voyager Strategic Bond Fund gained in the first quarter, with a positive absolute return that put it in the second quartile of performance in its peer group. The portfolio began the quarter long risk assets. But in the middle of the quarter the holding in high yield (HY) was reduced by completely selling out of funds solely dedicated to European high yield funds. Some of the cash raised in reducing the high yield holding was used to buy convertible bonds. Significant exposure was also obtained to asset-backed bonds and bonds issued by financial firms.

The sub-fund's performance proved resilient in the face of the turbulence in the second quarter, with the portfolio performing nearly in line with the benchmark, in difficult trading conditions. The portfolio's underweight position in interest rate risk and no direct holding in inflation-linked bonds proved very beneficial for relative performance in both May and June, though earlier the position detracted in April. The manager's diversification strategy remained a key priority for the sub-fund. The manager added convertible bonds, global macro and absolute return credit oriented strategies to the portfolio. The sub-fund's duration strategy has for some time been positioned for a rise in government bond yields through a significant underweight position in the portfolio's interest rate sensitivity. This worked in its favour in May and June, and the manager took some profits.

The sub-fund produced a positive absolute return but trailed the benchmark in the third quarter, and was below the median in its peer group, which contains a high concentration in European high yield bonds. The third quarter was volatile for fixed income assets. European high yield bonds did best whilst emerging market currencies performed worst. The holding in local currency emerging debt was one of the less helpful areas for the portfolio. However, the portfolio's exposure to convertible bonds paid off with their strong absolute gains.

The sub-fund enjoyed a strong fourth quarter with a positive real return that exceeded the benchmark in a challenging environment for fixed income. The sub-fund remained positioned for a continued rise in government bond yields through an underweight position in interest rate sensitivity (duration), though selected opportunities were taken to increase duration on market weakness, particularly at the long end of the US yield curve. The manager took advantage of opportunities to diversify the portfolio's duration exposure out of the UK, as US government bonds (Treasury's) underperformed Gilts over the summer months and US real (after inflation) yields became more attractive.

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.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, it will be subject to the collective risks of these other sub-funds.

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 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 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

Fixed Income Funds	100.48%
Derivatives	(0.11)%

Net other liabilities	(0.37)%
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Total	100.00%
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Asset allocation

Bonds	100.48%
Derivatives	(0.11)%

Net other liabilities	(0.37)%
-----------------------	---------

Total	100.00%
--------------	----------------

Major holdings
**Percentage
of portfolio**

Old Mutual Specialist Funds - Bond 1 Fund	19.89%
Old Mutual Specialist Funds - Bond 3 Fund	19.07%
M&G Optimal Income Fund	10.81%
Wellington Global Credit Plus Fund	10.57%
Schroder GAIA Global Macro Bond Fund	7.89%
Kames Capital ICVC - Sterling Corporate Bond Fund	6.92%
Kames Capital ICVC - Strategic Bond Fund	6.72%
Mirabaud Convertible Bond Fund	5.63%
Old Mutual Specialist Funds - Bond 2 Fund	4.85%
Old Mutual Local Currency Emerging Market Debt Fund	3.92%

Number of holdings	14
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Ongoing charges figure (OCF)*

31.12.12 Euro Hedged Accumulation	1.54%
31.12.12 GBP Income 'A'	1.51%
31.12.12 USD Hedged Accumulation	1.54%
31.12.13 Euro Hedged Accumulation	1.45%
31.12.13 GBP Income 'A'	1.42%
31.12.13 GBP Income 'R**'	0.85%
31.12.13 USD Hedged Accumulation	1.41%

* The ongoing charges figure is the ratio of the sub-fund's ongoing charges (including the ongoing charges of any collective investment schemes in which the sub-fund invests but excluding interest on borrowings) 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 %
Fixed Income Funds 100.48% (31 December 2012 99.57%)			
1,098,311	Fidelity MoneyBuilder Income Fund	365	0.24
57,388	JPMorgan Income Opportunity Plus Fund	4,062	2.66
34,982,029	Kames Capital ICVC - Sterling Corporate Bond Fund	10,564	6.92
8,678,023	Kames Capital ICVC - Strategic Bond Fund	10,249	6.72
11,657,893	M&G Optimal Income Fund	16,485	10.81
79,360	Mirabaud Convertible Bond Fund	8,595	5.63
733,979	Old Mutual Local Currency Emerging Market Debt Fund	5,975	3.92
65,074,192	Old Mutual Specialist Funds - Bond 1 Fund	30,351	19.89
16,823,079	Old Mutual Specialist Funds - Bond 2 Fund	7,394	4.85
68,375,012	Old Mutual Specialist Funds - Bond 3 Fund	29,087	19.07
2,836,779	Old Mutual Specialist Funds - Gilt Fund	1,979	1.30
115,998	Schroder GAIA Global Macro Bond Fund	12,034	7.89
24,946	Threadneedle Investment Funds ICVC - High Yield Bond Fund	16	0.01
1,557,771	Wellington Global Credit Plus Fund	16,123	10.57
		153,279	100.48
Future 0.02% (31 December 2012 0.00%)			
(118)	US 5yr Note March 2014 Future Contract	113	0.07
57	US Ultra Bond (CBT) March 2014 Future Contract	(79)	(0.05)
		34	0.02
Euro Open Forward Exchange Contracts 0.00% (31 December 2012 0.04%)			
€999,828	Euro v Sterling Forward Exchange Contract	(7)	-
Sterling Denominated Open Forward Exchange Contract 0.00% (31 December 2012 (0.05)%)			
£11,510	Sterling v US Dollar Forward Exchange Contract	-	-
£35,500	Sterling v US Dollar Forward Exchange Contract	-	-
£121,800	Sterling v US Dollar Forward Exchange Contract	(1)	-
£132,600	Sterling v US Dollar Forward Exchange Contract	-	-
		(1)	-
US Dollar Open Forward Exchange Contracts (0.13)% (31 December 2012 (0.03)%)			
\$3,414	US Dollar v Sterling Forward Exchange Contract	-	-
\$79,784	US Dollar v Sterling Forward Exchange Contract	-	-
\$80,465	US Dollar v Sterling Forward Exchange Contract	(1)	-
\$97,196	US Dollar v Sterling Forward Exchange Contract	-	-
\$117,253	US Dollar v Sterling Forward Exchange Contract	2	-
\$38,709,256	US Dollar v Sterling Forward Exchange Contract	(193)	(0.13)
		(192)	(0.13)
Investment assets*		153,113	100.37
Net other liabilities		(557)	(0.37)
Total net assets		152,556	100.00

*Including investment liabilities.

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		(1,538)		14,987
Revenue	3	8,956		9,082	
Expenses	4	(1,453)		(1,510)	
Finance costs: Interest	6	(3)		-	
Net revenue before taxation		7,500		7,572	
Taxation	5	(101)		(96)	
Net revenue after taxation			7,399		7,476
Total return before distributions			5,861		22,463
Finance costs: Distributions	6		(6,994)		(7,093)
Change in net assets attributable to shareholders from investment activities			(1,133)		15,370

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		171,391		143,014
Amounts received on issue of shares	20,670		35,377	
Amounts paid on cancellation of shares	(39,194)		(23,122)	
		(18,524)		12,255
Stamp duty reserve tax		(3)		(6)
Change in net assets attributable to shareholders from investment activities		(1,133)		15,370
Retained distribution on accumulation shares		825		758
Closing net assets attributable to shareholders		152,556		171,391

The notes on pages 44 to 50 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			153,394		170,734
Debtors	7	735		758	
Cash and bank balances	8	591		2,079	
Total other assets			1,326		2,837
Total assets			154,720		173,571
Liabilities					
Investment liabilities			(281)		(149)
Creditors	9	(1,017)		(1,000)	
Bank overdrafts		(16)		-	
Distribution payable on income shares		(850)		(1,031)	
Total other liabilities			(1,883)		(2,031)
Total liabilities			(2,164)		(2,180)
Net assets attributable to shareholders			152,556		171,391

The notes on pages 44 to 50 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 Voyager Strategic Bond Fund are included on pages 11 to 12 of the Notes to the aggregated financial statements.

2 Net capital (losses)/gains

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

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
(Losses)/gains on non-derivative securities	(244)	16,510
Losses on currency contracts	(37)	(432)
Gains on derivative securities	16	-
Losses on forward currency contracts	(1,272)	(1,080)
Handling charges	(1)	(11)
Net capital (losses)/gains	(1,538)	14,987

3 Revenue

	01.01.13 to 31.12.13 £'000	01.01.12 to 31.12.12 £'000
Authorised Corporate Director's fee rebate	329	471
Authorised Corporate Director's capitalised fee rebate	506	479
Bank and term deposit interest	3	7
Franked distributions on Collective Investment Schemes	143	130
Non-taxable distributions on Offshore Funds	1,435	540
Unfranked distributions on Collective Investment Schemes	6,540	7,455
Total revenue	8,956	9,082

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 agents of either of them:		
Authorised Corporate Director's periodic charge	1,293	1,273
	1,293	1,273
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	20	20
Safe custody fees	15	7
	35	27
Other expenses:		
Administration fees	100	187
Audit fees*	10	7
Currency hedge fees	-	16
FT publication fees	-	(11)
Legal fees	6	-
Registration fees	2	7
Risk & compliance monitoring fees	7	1
Sundry fees	-	3
	125	210
Total expenses	1,453	1,510

*The Audit fee for the year, excluding VAT, was £8,150 (31 December 2012: £5,686).

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
Corporation tax suffered	101	96
Total current tax charge for the year (see note 5(b))	101	96
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year	101	96

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	7,500	7,572
Corporation tax at 20% (31 December 2012: 20%)	1,500	1,514
Effects of:		
Corporation tax on capitalised fee rebates	(101)	(96)
Corporation tax suffered	101	96
Franked investment revenue at 20%	(29)	(26)
Tax deductible interest distributions	(1,370)	(1,392)
Total current tax charge for the year (see note 5 (a))	101	96

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 £'000	01.01.12 to 31.12.12 £'000
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	-	-

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)	1,649	1,676
Second Interim (30 June)	2,262	2,143
Third Interim (30 September)	1,667	1,903
Final (31 December)	1,276	1,458
	6,854	7,180
Revenue deducted on cancellation of shares	291	192
Revenue received on issue of shares	(151)	(279)
Finance costs: Distributions	6,994	7,093
Finance costs: Interest	3	-
Total finance costs	6,997	7,093
Reconciliation of distributions:		
Net revenue after taxation	7,399	7,476
Authorised Corporate Director's capitalised fee rebates	(506)	(479)
Tax charge on capitalised fee rebates	101	96
Finance costs: Distributions	6,994	7,093

Details of the interim and final distributions per share are set out in the table on pages 511 and 522.

7 Debtors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's fee rebates	275	293
Accrued revenue	-	381
Amounts receivable for issue of shares	380	83
Currency contracts receivable	80	1
Total debtors	735	758

8 Cash and bank balances

	31.12.13 £'000	31.12.12 £'000
Amounts held at futures clearing houses and brokers	204	-
Cash and bank balances	387	2,079
Total cash and bank balances	591	2,079

Notes to the financial statements (continued)

9 Creditors

	31.12.13 £'000	31.12.12 £'000
Accrued Authorised Corporate Director's periodic charge	104	116
Accrued Depositary's fees	2	2
Accrued expenses	62	65
Amounts payable for cancellation of shares	385	256
Corporation tax payable	101	96
Currency contracts payable	80	-
Income tax payable	283	465
Total creditors	1,017	1,000

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 monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 9. 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.

The sub-fund held the following securities and received the noted income in related funds throughout the year to 31 December 2013:

Shares	Security Name	Market Value £'000	Gross Interest Received £'000
65,074,192	Old Mutual Specialist Funds - Old Mutual Bond 1 Fund	30,351	1,975
16,823,079	Old Mutual Specialist Funds - Old Mutual Bond 2 Fund	7,394	1,110
68,375,012	Old Mutual Specialist Funds - Old Mutual Bond 3 Fund	29,087	2,435
733,979	Old Mutual Local Currency Emerging Market Debt Fund	5,975	371
2,836,779	Old Mutual Specialist Funds - Gilt Fund	1,979	3

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 or funds of these instruments.

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 the 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 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.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

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 (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	62	833	895	63	490	553
US Dollar	101	23,425	23,526	(54)	21,317	21,263
Total	163	24,258	24,421	9	21,807	21,816

*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 (31 December 2012) was as follows:

Currency	Variable rate financial assets*	Fixed rate financial asset	Financial assets not carrying interest	Total
31.12.13	£'000	£'000		
Euro	62	-	833	895
Sterling	412	-	154,244	154,656
US Dollar	117	-	23,811	23,928
Total	591	-	178,888	179,479

31.12.12				
Euro	63	-	22,432	22,495
Sterling	2,016	-	182,568	184,584
US Dollar	-	-	21,509	21,509
Total	2,079	-	226,509	228,588

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
31.12.13	£'000		£'000
Sterling	-	(26,521)	(26,521)
US Dollar	(16)	(386)	(402)
Total	(16)	(26,907)	(26,923)

31.12.12			
Euro	-	(21,942)	(21,942)
Sterling	-	(35,009)	(35,009)
US Dollar	-	(246)	(246)
Total	-	(57,197)	(57,197)

*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 rate payable of 2%. Other bank accounts of the sub-fund held with Citi have a contractual right of 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)

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 is 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.

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 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 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 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 Voyager 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 Voyager 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 2.72% and 0.00% respectively.

The minimum, average and maximum VaR of the sub-fund over the year was 1.55%, 2.61% and 3.61%.

The sub-fund is limited to 100% 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 8.61%.

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 transaction costs associated with investments in Collective Investment Schemes, as any dealing charges are incorporated in the price of the underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Voyager Strategic Bond Fund are included on page 18 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 37.

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
Euro Hedged Accumulation Shares						
Group 1	0.5384	0.1077	0.4307	-	0.4307	0.4332
Group 2	0.0000	0.0000	0.0000	0.4307	0.4307	0.4332
GBP Income 'A' Shares						
Group 1	0.4416	0.0883	0.3533	-	0.3533	0.3697
Group 2	0.0000	0.0000	0.0000	0.3533	0.3533	0.3697
GBP Income 'R' Shares ***						
Group 1	0.5285	0.1057	0.4228	-	0.4228	-
Group 2	0.0285	0.0057	0.0228	0.4000	0.4228	-
USD Hedged Accumulation Shares						
Group 1	0.8021	0.1604	0.6417	-	0.6417	0.6334
Group 2	0.0000	0.0000	0.0000	0.6417	0.6417	0.6334

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
Euro Hedged Accumulation Shares						
Group 1	0.7053	0.1411	0.5642	-	0.5642	0.5720
Group 2	0.0609	0.0122	0.0487	0.5155	0.5642	0.5720
GBP Income 'A' Shares						
Group 1	0.5495	0.1099	0.4396	-	0.4396	0.4837
Group 2	0.0479	0.0096	0.0383	0.4013	0.4396	0.4837
GBP Income 'R' Shares ***						
Group 1	0.7124	0.1425	0.5699	-	0.5699	-
Group 2	0.1184	0.0237	0.0947	0.4752	0.5699	-
USD Hedged Accumulation Shares						
Group 1	1.0970	0.2194	0.8776	-	0.8776	0.8206
Group 2	0.0934	0.0187	0.0747	0.8029	0.8776	0.8206

Distribution table

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
Euro Hedged Accumulation Shares						
Group 1	0.8516	0.1703	0.6813	-	0.6813	0.6702
Group 2	0.2950	0.0590	0.2360	0.4453	0.6813	0.6702
GBP Income 'A' Shares						
Group 1	0.7434	0.1487	0.5947	-	0.5947	0.5640
Group 2	0.2609	0.0522	0.2087	0.3860	0.5947	0.5640
GBP Income 'R' Shares ***						
Group 1	0.6595	0.1319	0.5276	-	0.5276	-
Group 2	0.2845	0.0569	0.2276	0.3000	0.5276	-
USD Hedged Accumulation Shares						
Group 1	1.2913	0.2583	1.0330	-	1.0330	0.9277
Group 2	0.4649	0.0930	0.3719	0.6611	1.0330	0.9277

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
Euro Hedged Accumulation Shares						
Group 1	0.5560	0.1112	0.4448	-	0.4448	0.5146
Group 2	0.0000	0.0000	0.0000	0.4448	0.4448	0.5146
GBP Income 'A' Shares						
Group 1	0.5405	0.1081	0.4324	-	0.4324	0.4453
Group 2	0.0205	0.0041	0.0164	0.4160	0.4324	0.4453
GBP Income 'R' Shares ***						
Group 1	0.5428	0.1086	0.4342	-	0.4342	-
Group 2	0.0000	0.0000	0.0000	0.4342	0.4342	-
USD Hedged Accumulation Shares						
Group 1	0.8633	0.1727	0.6906	-	0.6906	0.7531
Group 2	0.0495	0.0099	0.0396	0.6510	0.6906	0.7531

* 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 26 February 2013.