

**Old Mutual Spectrum Funds
(formerly Skandia Spectrum Funds)**

Annual Report and Financial Statements
For the year ended 30 April 2013

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Fund information

Authorised Corporate Director

Old Mutual Investment Management Limited
Skandia House
Portland Terrace
Southampton
SO14 7EJ

Authorised and regulated by the Financial Conduct Authority.

Depositary

National Westminster Bank plc
135 Bishopsgate
London
EC2M 3UR

Authorised and regulated by the Financial Conduct Authority.

Legal Advisers

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditor

KPMG Audit Plc
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Administrator

Citibank N.A. London Branch
Citigroup Centre
25 Canada Square
London
EC14 5LB

Registrar

Citibank N.A. London Branch
PO Box 27061
227 West George Street
Glasgow
G2 9GT

(Both the register of shareholders and the plan register can be inspected at the Registrar's Glasgow office, 145 St Vincent Street, 4th floor, Glasgow, EH7 5JH)

Risk Monitoring Provider

Citibank N.A. London Branch
Citigroup Centre
25 Canada Square
Canary Wharf
London
EC14 5LB

Directors of the ACD

James E Millard (resigned 10 January 2013)
John R McKean (resigned 31 July 2012)
Julian D F Ide (appointed 6 September 2012)
Marc Bulstrode (resigned 31 August 2012)
Mitchell Dean (appointed 1 January 2013)
Paul J R Nathan (appointed on 28 August 2012)
Peter Mann (resigned 7 November 2012)

Fund information (continued)

Investment adviser

Analytic Investors LLC
555 West Fifth Street
50th floor
Los Angeles
CA 90013.

Regulated by the US Securities and Exchange Commission.

Authorised Corporate Director's report

Directors' report

The Directors presents the report and financial statements for the Old Mutual Spectrum Funds (the "Fund") for the year from 1 May 2012 to 30 April 2013. The Fund was launched on 13 December 2002 and units 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. Shareholders do not have any proprietary interest in the underlying assets of the Fund and are not liable for the debts of the Fund.

Economic and market overview

Financial markets were periodically volatile over the 12 months under review, but continued to rise nonetheless. The debt crises in Europe, concerns about political deadlock over the budget in the US and intermittent worries over China's recovery were the main factors behind intermittent setbacks.

Although much of the economic data around the world remained tepid over the interval, equity markets continued to advance helped by further announcements of quantitative easing, notably in Europe and the US. Investor sentiment also received a boost when ECB president Draghi announced that he would do 'whatever it takes' to defend the euro.

Despite a change in leadership in China and Japan in the final months of 2012, plus the re-election of President Obama, market volatility appeared to subside as the calendar year drew to a close, though nervousness about the US fiscal cliff prompted some jitters at the end of December. Financial markets continued to gain in the first quarter of 2013 and in America by the end of March the broad equity market, as represented by the S&P 500, moved above the previous all-time high that it had reached back in October of 2007. However there seemed to be a change in tone from earlier quarters. Equities gained because investors seemed to regard them as the least bad option. And while shares as a whole advanced, there was increasing differentiation in performance among the different sectors. The equities that outperformed tended to be those of big established defensive companies seen as least sensitive to the economic environment. Shares in businesses with large cash balances offering attractive dividends proved particularly attractive.

For similar reasons emerging market (EM) stocks, which had earlier fared well during periods of improving investor risk appetite were a weak area in the closing months of the period. China was one of the notable soft spots. EM stocks began to sell off in February and even more so in March amid new worries over China's economy and in Europe the new problems with Cyprus banks. Meanwhile, commodity stocks sold off in the last months of the period as new unease about the global economy raised questions about the level of future demand for basic materials. By the end of the review period, these developments left US equities, appearing rather expensive but EM stocks looked good value.

Global government bonds, which had lagged for much of the reporting interval rallied towards the end of the review period, with yields declining amid renewed worries about the strength of the world economy, and fresh concerns over the single currency project after elections in Italy resulted in a hung parliament. And Cyprus became the latest Mediterranean member to become the epicentre of a banking crisis. Corporate credit, especially high yield, continued to advance over most of the period

Merger of Skandia Investment Group and Old Mutual Asset Managers UK

Skandia Investment Group ("SIG"), of which the Authorised Corporate Director ("ACD"), Skandia Investment Management Fund ("SIML") is a part of, merged with the Old Mutual Asset Managers UK ("OMAM") on 26 April 2012.

As a result of this merger, effective from 25 February 2013, the ACD, Skandia Investment Management Limited, changed its entity name to Old Mutual Investment Management Limited ("OMIML"), under the branded name of Old Mutual Global Investors.

The Funds held by SIML were likewise rebranded to reflect the Old Mutual ownership. With effect from 11 March 2013, all the Funds under the Skandia Investment Management Limited changed their entity names.

For more information, please see: <http://www.omglobalinvestors.com/Global/Fund-Changes/SIML-Fund-Changes-13Mar13.PDF>

Authorised Corporate Director's report (continued)

The changes relevant to this Fund are as below:

Old Mutual Investment Funds	Name prior to 11 March 2013	Name after the 11 March 2013
Manager	Skandia Investment Management Limited	Old Mutual Investment Management Limited
Fund name	Skandia Spectrum Funds	Old Mutual Spectrum Funds
Sub-fund	Skandia Generation Target 3:4 Fund*	Old Mutual Generation Target 3:4 Fund
Sub-fund	Skandia Generation Target 4:4 Fund*	Old Mutual Generation Target 4:4 Fund
Sub-fund	Skandia Generation Target 3:6 Fund*	Old Mutual Generation Target 3:6 Fund
Sub-fund	Skandia Generation Target 4:6 Fund*	Old Mutual Generation Target 4:6 Fund
Sub-fund	Skandia Spectrum 3 Fund	Old Mutual Spectrum 3 Fund
Sub-fund	Skandia Spectrum 4 Fund	Old Mutual Spectrum 4 Fund
Sub-fund	Skandia Spectrum 5 Fund	Old Mutual Spectrum 5 Fund
Sub-fund	Skandia Spectrum 6 Fund	Old Mutual Spectrum 6 Fund
Sub-fund	Skandia Spectrum 7 Fund	Old Mutual Spectrum 7 Fund
Sub-fund	Skandia Spectrum 8 Fund	Old Mutual Spectrum 8 Fund

*Generation Target Funds were launched on 9 November 2012 under the Skandia brand.

Authorised Corporate Director's report (continued)

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 Accumulation '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-funds as below:

Sub- fund name	Launch date
Old Mutual Spectrum 3 Fund	25 February 2013
Old Mutual Spectrum 4 Fund	19 February 2013
Old Mutual Spectrum 5 Fund	18 February 2013
Old Mutual Spectrum 6 Fund	15 February 2013
Old Mutual Spectrum 7 Fund	18 February 2013
Old Mutual Spectrum 8 Fund	19 February 2013

'R' shares for the Generation Target funds were launched at the same time as the funds on 9 November 2013.

Share class launch

The Fund has launched new 'T' share classes for its sub-funds.

The new T shares are predominantly offered to platforms and independent financial advisers whose business is not eligible for commission, and who in the Manager's reasonable opinion are able to subscribe in total an amount in excess of the investment minimum of £25,000,000.

At the balance sheet date, there have been no subscriptions to the 'T' share class.

Additional information

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for authorised Funds issued by the Investment Management Association (IMA) in October 2010.

The Fund is an umbrella scheme which complies with the Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) and has ten sub-funds (listed below). Additional sub-funds may be launched in the future:

Sub- fund name	Launch date
Old Mutual Generation Target 3:4 Fund	9 November 2012
Old Mutual Generation Target 4:4 Fund	9 November 2012
Old Mutual Generation Target 3:6 Fund	9 November 2012
Old Mutual Generation Target 4:6 Fund	9 November 2012
Old Mutual Spectrum 3 Fund	28 April 2008
Old Mutual Spectrum 4 Fund	28 April 2008
Old Mutual Spectrum 5 Fund	28 April 2008
Old Mutual Spectrum 6 Fund	28 April 2008
Old Mutual Spectrum 7 Fund	28 April 2008
Old Mutual Spectrum 8 Fund	28 April 2008

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



Mitchell Dean
Director
Old Mutual Investment Management Limited

27 August 2013



Paul J R Nathan
Director
Old Mutual Investment Management Limited

27 August 2013

Authorised Corporate Director's report (continued)

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

	30 April 2013			30 April 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 Generation 3:4 A Shares Inc*	£692,211	1,309,022	52.88p	n/a	n/a	n/a
Old Mutual Generation 3:4 R Shares Inc*	£2,122,936	4,000,000	53.07p	n/a	n/a	n/a
Old Mutual Generation 3:6 A Shares Inc*	£677,098	1,310,990	51.65p	n/a	n/a	n/a
Old Mutual Generation 3:6 R Shares Inc*	£2,072,578	4,000,378	51.81p	n/a	n/a	n/a
Old Mutual Generation 4:4 A Shares Inc*	£963,124	1,767,816	54.48p	n/a	n/a	n/a
Old Mutual Generation 4:4 R Shares Inc*	£26,254,645	48,058,543	54.63p	n/a	n/a	n/a
Old Mutual Generation 4:6 A Shares Inc*	£1,397,644	2,630,384	53.13p	n/a	n/a	n/a
Old Mutual Generation 4:6 R Shares Inc*	£25,638,149	48,095,302	53.31p	n/a	n/a	n/a
Old Mutual Spectrum 3 Accumulation 'A'	£333,249,806	520,290,494	64.05p	£282,459,007	474,187,986	59.57p
Old Mutual Spectrum 3 Accumulation 'R'*	£938,366	1,464,603	64.07p	n/a	n/a	n/a
Old Mutual Spectrum 4 Accumulation 'A'	£454,737,359	715,655,298	63.54p	£359,225,593	613,898,325	58.52p
Old Mutual Spectrum 4 Accumulation 'R'*	£835,841	1,314,957	63.56p	n/a	n/a	n/a
Old Mutual Spectrum 5 Accumulation 'A'	£500,905,848	792,101,890	63.24p	£409,288,850	709,679,580	57.67p
Old Mutual Spectrum 5 Accumulation 'R'*	£1,713,421	2,707,987	63.27p	n/a	n/a	n/a
Old Mutual Spectrum 6 Accumulation 'A'	£322,063,136	519,965,663	61.94p	£241,606,200	432,850,802	55.82p
Old Mutual Spectrum 6 Accumulation 'R'*	£604,305	974,913	61.99p	n/a	n/a	n/a
Old Mutual Spectrum 7 Accumulation 'A'	£114,256,965	188,346,192	60.66p	£91,726,228	169,263,103	54.19p
Old Mutual Spectrum 7 Accumulation 'R'*	£282,002	464,394	60.72p	n/a	n/a	n/a
Old Mutual Spectrum 8 Accumulation 'A'	£66,193,303	112,167,382	59.01p	£44,410,349	84,972,623	52.26p
Old Mutual Spectrum 8 Accumulation 'R'*	£290,978	492,420	59.09p	n/a	n/a	n/a

* launched on the dates shown in the Authorised Corporate Director's report

Statement of the Authorised Corporate Director's responsibilities

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

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

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

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

for the year from 1 May 2012 to 30 April 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
27 August 2013

Independent auditor's report to the shareholders of the Old Mutual Spectrum Funds ICVC ("the Company")

We have audited the financial statements of the Company for the year ended 30 April 2013 set out on pages 13 to 23; 30 to 39; 46 to 55; 63 to 72; 79 to 88; 93 to 103; 108 to 118; 123 to 133; 138 to 148; 153 to 163 and 168 to 178. 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 Global Investors (UK) Limited and auditor

As explained more fully in the Statement of ACD's Responsibilities set out on page 10 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/auditscopeprivate.

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 30 April 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
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

27 August 2013

Aggregated statement of total return

for the year from 1 May 2012 to 30 April 2013

	Notes	01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Income					
Net capital gains/(losses)	2		166,447		(22,645)
Revenue	3	58,469		44,158	
Expenses	4	(19,965)		(14,826)	
Finance costs: Interest	6	(24)		-	
Net revenue before taxation		38,480		29,332	
Taxation	5	(5,750)		(4,538)	
Net revenue after taxation			32,730		24,794
Total return before distributions			199,177		2,149
Finance costs: Distributions	6		(29,303)		(21,808)
Change in net assets attributable to shareholders from investment activities			169,874		(19,659)

Aggregated statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

	01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Opening net assets attributable to shareholders		1,271,440		974,521
Amounts received on issue of shares	456,414		344,338	
Amounts paid on cancellation of shares	(70,701)		(50,391)	
		385,713		293,947
Stamp duty reserve tax		(422)		(461)
Change in net assets attributable to shareholders from investment activities		169,874		(19,659)
Retained distribution on accumulation shares		29,284		23,092
Closing net assets attributable to shareholders		1,855,889		1,271,440

The notes on pages 15 to 23 form an integral part of these financial statements

Aggregated balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			1,778,139		1,251,877
Debtors	7	18,769		14,507	
Cash and bank balances	8	71,989		23,467	
Total other assets			90,758		37,974
Total assets			1,868,897		1,289,851
Liabilities					
Investment liabilities			(416)		-
Creditors	9	(11,306)		(18,411)	
Bank overdrafts		(215)		-	
Distribution payable on income shares		(1,071)		-	
Total other liabilities			(12,592)		(18,411)
Total liabilities			(13,008)		(18,411)
Net assets attributable to shareholders			1,855,889		1,271,440

The notes on pages 15 to 23 form an integral part of these financial statements

Notes to the aggregated financial statements

For the year from 1 May 2012 to 30 April 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. Bank interest is recognised on an accruals basis. All distributions from accumulation holdings in Collective Investment Schemes are treated as revenue. Equalisation on distributions received from Collective Investment Schemes is recognised as revenue. All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

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 in determining whether the receipt is income or capital in nature. Special dividends and share buy-backs 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 and stamp duty reserve tax, are charged against revenue for sub-funds Spectrum 3 through to 8. All expenses are charged against capital for the Generation sub-funds. The Authorised Corporate Director's periodic charge is expensed against revenue for sub-funds Spectrum 3 through to 8. The Authorised Corporate Director's periodic charge is expensed against capital for the Generation sub-funds.

g) Rebate of Authorised Corporate Director's fees 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 investments 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) Revenue allocation to share classes

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

i) 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.

j) Distribution policy

All of the net revenue available for distribution at the end of the interim and final distribution periods will be distributed to shareholders. Any share class in deficit of revenue will transfer that deficit to capital attributable to that share class. Should taxation and expenses taken together exceed revenue, there will be no distribution and the shortfall will be met from capital.

k) Basis of valuation of investments

Purchases and sales of investments are recognised when a legally binding and unconditional right to obtain, or an obligation to deliver, an asset or liability arises.

The investments of the Fund are valued at the lower of closing bid-market or cancellation (where available) prices on the last business day of the accounting year when these prices are considered fair value. Any unquoted or suspended investments are valued at the ACD's valuation.

Notes to the aggregated financial statements (continued)

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies (continued)

k) Basis of valuation of investments (continued)

Suspended securities are valued at nil, unless the ACD has deemed there are grounds for valuing otherwise, in which case the price used has been set by the ACD and agreed with the Depositary.

Derivatives are valued at their market value using exchange rates at the close of business on the last day of the accounting year.

l) Currency translation

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, with any gains or losses forming part of the distribution. Gains and losses on capital items will not form part of the distribution.

m) 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.

n) Dilution policy

The ACD has discretion to require a dilution adjustment to the price of a share on the purchase or redemption of shares in the Fund. The ACD's policy is to make a dilution adjustment when the ACD believes it is in the interest of the shareholders to do so.

o) 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)

For the year from 1 May 2012 to 30 April 2013

2 Net capital gains/(losses)

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

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Gains/(losses) on non-derivative securities	167,245	(22,589)
(Losses)/gains on currency contracts	(9)	4
Losses on derivative contracts	(631)	-
Losses on forward currency contracts	(108)	-
Handling charges	(50)	(60)
Net capital gains/(losses)	166,447	(22,645)

3 Revenue

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Authorised Corporate Director's fee rebate	7,002	5,181
Authorised Corporate Director's capitalised fee rebate	4,513	3,732
Bank and term deposit interest	41	25
Derivative income	449	-
Franked distributions on Collective Investment Schemes	9,261	6,278
Non-taxable overseas dividends	460	363
Non-taxable distributions from offshore funds	12	-
Taxable overseas dividends	3,516	3,123
Unfranked distributions on Collective Investment Schemes	33,215	25,456
Total revenue	58,469	44,158

Notes to the aggregated financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	18,635	13,734
	<u>18,635</u>	<u>13,734</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	189	144
Safe custody fees	90	38
	<u>279</u>	<u>182</u>
Other expenses:		
Administration fees	722	814
Audit fees	70	36
Financial consultancy fees	47	60
Investment adviser fees	1	-
Legal fees	44	-
Professional fees	48	-
Risk & compliance monitoring fees	119	-
	<u>1,051</u>	<u>910</u>
Total expenses	<u>19,965</u>	<u>14,826</u>

Notes to the aggregated financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	4,827	4,457
Total current tax charge for the year	4,827	4,457
Deferred tax charge for the year	923	81
Deferred tax charge for the year	923	81
Total taxation for the year	5,750	4,538

Corporation tax has been provided for at a rate of 20% (30 April 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 units and revenue deducted on the cancellation of units, and comprise:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	14,564	11,523
Final (30 April)	15,790	11,569
	30,354	23,092
Revenue deducted on cancellation of shares	276	191
Revenue received on issue of shares	(1,327)	(1,475)
Finance costs: Distributions	29,303	21,808
Finance costs: Interest	24	-
Total finance costs	29,327	21,808
Reconciliation of distributions:		
Net revenue after taxation	32,730	24,794
ACD capitalised fee rebate	(4,513)	(3,732)
Capitalised fees	229	-
CT relief transfer	5	-
Tax charge on income taken to capital	852	746
Finance costs: Distributions	29,303	21,808

Notes to the aggregated financial statements (continued)

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	2,169	854
Accrued revenue	5,158	4,023
Amounts receivable for issue of shares	5,399	7,615
Corporation tax recoverable	41	-
Income tax recoverable	635	2,015
Sales awaiting settlement	5,367	-
Total debtors	18,769	14,507

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Amounts held at futures clearing houses and brokers	2,447	-
Cash and bank balances	69,542	23,467
Total cash and bank balances	71,989	23,467

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	2,192	1,288
Accrued Depositary's fees	18	-
Accrued Investment Advisor's fees	1	-
Accrued expenses	702	207
Amounts payable for cancellation of shares	581	357
Corporation tax payable	1,007	3,300
Deferred tax	1,438	515
Purchases awaiting settlement	5,367	12,744
Total creditors	11,306	18,411

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9. The balances in notes 3 and 4 include transactions with other funds managed by the Authorised Corporate Director. The Fund also holds investment in other Old Mutual Investment Management Limited's funds as shown in the Portfolio statement.

Notes to the aggregated financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The Old Mutual Spectrum Funds invest across cash, fixed interest, property and equities in different proportions with the aim of providing relatively low risk and lower potential returns at one end of the scale and relatively high risk and higher potential returns at the other end of the scale. The sub-funds may include some exposure to emerging markets, which tend to be less well regulated and more volatile than established stock markets, so increasing potential risk to investors. Some of the underlying collective investment schemes may use derivatives as a part of their main investment strategy so investors in the Fund may be indirectly exposed to the risks inherent in the use of derivative instruments.

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

The Fund has little direct exposure to credit or cash flow risk. There are no material borrowings or unlisted securities and so little exposure to liquidity risk. The Fund may be indirectly exposed to credit risk through the underlying funds in which it invests.

The Investment Manager regularly considers the asset allocation of each underlying sub-funds in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

The main risks arising from financial instruments are currency exposure risk, interest rate risk, counterparty risk, credit risk, liquidity risk and market risk which are summarised below. These risks are monitored by the Investment Manager in pursuance of the investment objective and policy of each sub-fund.

b) Currency exposure risk

Where a sub-fund invests in securities designated in a different currency to the sub-fund, the value of the sub-fund may rise and fall purely as a result of exchange rate fluctuations.

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

c) Interest rate risk

The numerical disclosures are included in the notes to the accounts of the individual sub-funds where applicable. The funds hold cash on deposit accounts with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other Bank accounts of the sub-funds held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

d) 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.

e) Counterparty risk

Certain transactions in financial instruments that sub-funds enter into have the risk that the counterparty will not meet its financial obligations, ie the investment (purchase) or cash (sale) after the sub-funds have 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) 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 quality 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 underlying sub-funds' portfolio across a wide spread of issuers and sectors.

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

Notes to the aggregated financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Sensitivity analysis (continued)

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

h) Liquidity risk

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

i) Market price 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 Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The Fund may also use derivative instruments to mitigate risk and reduce cost.

12 Commitments, contingent liabilities and contingent assets

The numerical disclosures are included in the notes to the accounts 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

Accumulation and Income Shares are currently available for each Generation sub-fund as specified in the Prospectus. The Spectrum sub-funds currently have Accumulation 'R' and Accumulation 'A' share classes in issue. 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 ACD's fee of each share class are shown below:

	30.04.13	30.04.12
Old Mutual Generation 3:4 A Shares Inc*	1.25%	n/a
Old Mutual Generation 3:4 R Shares Inc*	0.50%	n/a
Old Mutual Generation 3:6 A Shares Inc*	1.25%	n/a
Old Mutual Generation 3:6 R Shares Inc*	0.50%	n/a
Old Mutual Generation 4:4 A Shares Inc*	1.25%	n/a
Old Mutual Generation 4:4 R Shares Inc*	0.50%	n/a
Old Mutual Generation 4:6 A Shares Inc*	1.25%	n/a
Old Mutual Generation 4:6 R Shares Inc*	0.50%	n/a
Old Mutual Spectrum 3 Accumulation 'A'	1.25%	1.25%
Old Mutual Spectrum 3 Accumulation 'R'*	0.50%	n/a
Old Mutual Spectrum 4 Accumulation 'A'	1.25%	1.25%
Old Mutual Spectrum 4 Accumulation 'R'*	0.50%	n/a
Old Mutual Spectrum 5 Accumulation 'A'	1.25%	1.25%
Old Mutual Spectrum 5 Accumulation 'R'*	0.50%	n/a
Old Mutual Spectrum 6 Accumulation 'A'	1.25%	1.25%
Old Mutual Spectrum 6 Accumulation 'R'*	0.50%	n/a
Old Mutual Spectrum 7 Accumulation 'A'	1.25%	1.25%
Old Mutual Spectrum 7 Accumulation 'R'*	0.50%	n/a
Old Mutual Spectrum 8 Accumulation 'A'	1.25%	1.25%
Old Mutual Spectrum 8 Accumulation 'R'*	0.50%	n/a

* launched on the dates shown in the Authorised Corporate Director's report.

Notes to the aggregated financial statements (continued)

14 Shareholders' funds (continued)

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

15 Material events post balance sheet date

There are no material post balance sheet events.

Old Mutual Generation Target 3:4 Fund

Launch date	9 November 2012
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited Analytic Investors LLC
Net asset value	£2,815,147

Objective

The Old Mutual Generation Target 3:4 aims to achieve an annual return of 3% above the UK rate of inflation over rolling 5 year periods through a combination of the returns on income and capital by gaining exposure to a diversified range of asset classes. Out of this return, the fund aims to provide a regular income of 4% per annum.

Policy

The sub-fund will invest through collective investment schemes (up to 100% of the value of the Fund, including those that are managed or operated by the ACD or an associate of the ACD) in order to give exposure to a diversified portfolio of asset classes including, but not limited to, equities, fixed interest, property, commodities (only via collective investment schemes) and currency.

The sub-fund may also invest directly in transferable securities, derivative instruments and forward transactions (for the purposes of meeting the investment objective or efficient portfolio management), cash, near cash, warrants, money market instruments, and permitted deposits. The sub-fund may sell call options over securities or portfolios of securities or indices in order to generate additional income.

The sub-fund will reference the Consumer Prices Index for determining the UK rate of inflation.

The target returns on both capital and income are not guaranteed.

Performance record

Net asset value

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

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.13			
Generation 3:4 A Shares Inc	£692,211	1,309,022	52.88
Generation 3:4 R Shares Inc	£2,122,936	4,000,000	53.07

Comparative table

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

Calendar year	Highest price	Lowest price
2012*		
Generation 3:4 A Shares Inc	51.36	49.66
Generation 3:4 R Shares Inc	51.31	49.65
2013*		
Generation 3:4 A Shares Inc	54.59	51.26
Generation 3:4 R Shares Inc	54.44	51.21

* to 30 April

Income (Net Distributions)

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

Calendar year	Pence per share
2013*	
Generation 3:4 A Shares Inc	0.8028
Generation 3:4 R Shares Inc	0.8457

* ex dividend date of 30 April and payable on 28 June 2013

Investment Manager's review

The launch of Generation in mid-November 2012 coincided with investors' appetite for risk seeming to gain a more secure footing, illustrated by the return of the value theme in global equity markets and healthier liquidity levels. This proved a strong setting for Generation's income-focused objective.

The global economic background was one of slow improvement in the final months of 2012. Europe, however, was the exception, with much of the region mired in recession. Despite changes in leadership in China and Japan, plus the re-election of President Obama, the final months of 2012 were less volatile than earlier in the year, though nervousness about the US fiscal cliff prompted some jitters at the end of December.

Despite this global markets advanced, led by a decided preference for higher risk assets. This development proved a boon to Generation, which was positioned for just such a recovery in risk assets. Meanwhile, perceived quality 'safe' businesses languished.

In the New Year, financial markets continued to gain, and in America by the end of March the broad equity market, as represented by the S&P 500, moved above the previous all-time high that it had reached back in October of 2007. Yet the tone did not really feel like that of a typical bull market. Equities seemed to gain because investors regarded them as the least bad option. And while shares as a whole advanced, there was increasing differentiation in performance among the different sectors, driven by the same cautious dynamic.

The equities that outperformed were those of big established defensive companies seen as least sensitive to the economic environment, particularly the shares of businesses with large cash balances offering attractive dividends. This was good news for large blue chip companies, and at the country level the US. The best performers were those in industries like utilities, healthcare and consumer staples.

By contrast, cyclical stocks did poorly. For similar reasons emerging market (EM) stocks were another weak area. China was one of the notable soft spots. The strong performance seen in emerging market stocks in the fourth quarter carried over into January, but began to sell off in February and even more so in March amid new worries over China's economy and in Europe the new problems with Cyprus banks. Meanwhile, commodity stocks sold off over most of the period as unease about the global economy raised questions about the level of future demand for basic materials.

By the end of the review period, these market developments left US equities appearing rather expensive, but EM stocks looked good value. Global government bonds strengthened towards the end of the review interval, with yields declining amid renewed worries about the health of the world economy, plus new concerns over the single currency project after elections in Italy resulted in a hung parliament, and Cyprus became the latest Mediterranean member to become the epicentre of a banking crisis. By contrast, corporate credit, especially high yield, continued to advance in January. Interestingly, though they underperformed government bonds in the final months, they remained surprisingly resilient in real terms despite the increased risk aversion.

Generation's performance from its launch in mid November until the end of December was excellent. Asset allocation was positive, though this was entirely attributable to a strong showing in equities. Manager selection was also beneficial, with all the asset classes - equity, fixed income and alternatives - contributing to the positive effect.

Likewise, the first quarter of 2013 was a good period for the fund. January was beneficial for relative performance, while February was mixed, but March was poor. Fortunately, there were no big detractors among the sub funds, with value-focused managers modestly contributing to the portfolio's

performance in an environment that favoured value-oriented stocks. Among the asset classes overall, equities were easily the single strongest area of the portfolio in absolute and relative terms, although fixed income holdings were also positive and benefited returns. Manager selection was positive for performance in all areas except equities.

Within equities, the portfolio's holdings in the US and Europe achieved the biggest absolute returns. The holding in UK equities was the biggest relative contributor to performance. The focus on companies well positioned to excel in rising markets remained a significant factor in first quarter performance. Even though the US was one of the stronger performing markets in the first quarter, and manager selection was good, its contribution to Generation's overall performance was fairly modest due to the small size of the holding.

The holding in Japanese equities was also positive. Although the fund was only briefly overweight in Japan, the allocation was a strong absolute benefit for the fund. Japan's stocks continued to rally from the change in fiscal and monetary policy associated with a stimulus programme by the new Liberal Democrat government headed by Prime Minister Shinzo Abe.

While managing continued absolute gains, the European portion of the portfolio had a relatively modest positive impact on performance, partly due to the rather weak contribution from manager selection. European markets also lagged other outperforming regions such as the US and Japan, with investors troubled by on-going economic weakness and a new financial crisis in Cyprus.

Though the Asian holdings gained in real terms in the first quarter, the region's equities nevertheless lagged other areas and their contribution to performance was marginal. China's economic data was disappointing during the period, which hurt investor sentiment. The performance from the Asian managers was only slightly positive. Outside of Asia, Generation's emerging market (EM) equity exposures helped performance in January when risk appetite remained strong, but detracted in February and March with the return of investor caution. Commodity stocks underperformed over the whole of the quarter amid renewed worries about the prospects for the global economy. This was unhelpful for the exchanges of EM countries, on many of which are listed big exporters of basic materials to the West. Meanwhile, manager selection in this area was not productive.

All asset classes in fixed income benefited Generation's performance. Manager selection was strongly positive. Generation's holding in emerging market fixed income was the second-strongest contributor to performance, benefitting from successful manager selection. Investment grade corporate bonds underperformed in the first half of the period, but rallied in the second part of the quarter in response to increased investor jitters associated with the Cyprus banking crisis and the uncertain Italian election outcome. The portfolio's small holding of sovereigns had a negligible impact on performance.

The return for the property portion of the portfolio was only modestly positive in the first quarter, and its overall impact on the portfolio was again marginal.

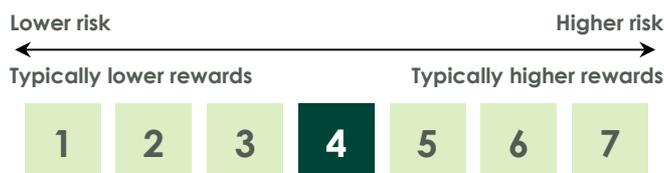
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

The growing variation in performance among different asset classes, which has become increasingly evident since late last year, is generally a favourable environment for a multi-asset portfolio like Generation, providing greater scope to enhance performance through stock selection. As far as the condition that companies are in, they continue to be in generally good financial shape, but with the global recovery remaining modest

there does not appear to be a catalyst for exceptionally strong outperformance in the near term. At present, investors seem fixated on a search for income and yield. Many appear willing to buy large, established, cash-rich defensive companies, even when their shares have begun to look fully priced. Valuations are being given less emphasis. As a result, some market segments look a bit out of kilter. Our view is that these conditions are not sustainable. While many investors seem intent on dividend stocks, for Generation we look for good value rather than just a good dividend regardless of the price.

We therefore seek to avoid investing in companies whose buy rationale looks fully priced in, even if this might limit short-term gains for the portfolio. Instead we are focusing on companies that have the potential to improve their business, and provide positive surprises – much of this theme is being employed in the Wellington sub-fund. The same theme is true for the portfolio's fixed income side, where DuPont was a favoured sub-portfolio as part of this approach. In emerging markets we are looking at local consumer focused businesses (for example in the Aubrey allocation in the Old Mutual Voyager Global Dynamic Equity Fund). In terms of changes within the portfolio, we allocated to Schroders in Asia, replacing First State from the Old Mutual Voyager Global Dynamic Equity Fund. The Schroders mandate is run by Robin Parbrook and will deliver a quality biased portfolio but with the pragmatism to move into more opportunistic investments as and when they arise.

Risk and Reward Profile



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

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

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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.

Asset allocation		Major holdings	Percentage of portfolio
Equities	39.67%	Old Mutual Investment Funds- Bond 2 Fund	8.10%
Bonds	28.69%	Old Mutual Investment Funds - Global Equity Income Fund	7.53%
Non-Equity Investment Instruments	24.29%	Old Mutual Investment Funds - Global Asian Equity Fund	6.89%
Gilts	6.43%	Old Mutual Property Fund	6.82%
Derivatives	(0.22)%	Montanaro Euro Smaller Equity Fund	6.46%
Net other assets	1.14%	Old Mutual Specialist Funds - Gilt Fund	6.43%
Total	100.00%	Old Mutual Specialist Funds - Bond 1 Fund	5.97%
Portfolio allocation		Schroder Income Fund	5.44%
International Equities	26.10%	M&G Property Portfolio Fund	4.76%
Non-Equity Investment Instruments	24.29%	Liontrust Macro Equity Income Fund	4.72%
International Bonds	14.62%	Number of holdings	28
UK Bonds	14.07%	Ongoing charges figure (OCF)*	
UK Equities	13.57%	30.04.13 Generation 3:4 A Shares Inc	3.16%
UK Gilts	6.43%	30.04.13 Generation 3:4 R Shares Inc	2.41%
Derivatives	(0.22)%		
Net other assets	1.14%		
Total	100.00%		

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 45.65%		
	Non-Equity Investment Instruments 11.58%		
13,188	M&G Property Portfolio Fund	134	4.76
523,207	Old Mutual Property Fund	192	6.82
		<u>326</u>	<u>11.58</u>
	UK Bonds 14.07%		
486,050	Old Mutual Investment Funds - Bond 2 Fund	228	8.10
370,674	Old Mutual Specialist Funds - Bond 1 Fund	168	5.97
		<u>396</u>	<u>14.07</u>
	UK Equities 13.57%		
76,756	CF Liontrust Macro Equity Income Fund	133	4.72
123,664	Old Mutual Multifanager Trust - Equity 1 Fund	96	3.41
16,252	Schroder Income Fund	153	5.44
		<u>382</u>	<u>13.57</u>
	UK Gilts 6.43%		
261,434	Old Mutual Specialist Funds - UK Gilt	181	6.43
		<u>181</u>	<u>6.43</u>
	United Kingdom Derivatives 0.06%		
	Sterling Denominated Open Forward Exchange Contract 0.06%		
£71,361	Sterling v United States dollar Forward Exchange Contract	1	0.03
£69,741	Sterling v Euro Forward Exchange Contract	1	0.03
£14,548	Sterling v United States dollar Forward Exchange Contract	0	0.00
		<u>2</u>	<u>0.05</u>
	Overseas 53.43%		
	International Bonds 14.62%		
289	JPMorgan Income Opportunity Plus Fund	21	0.74
80,436	M&G Investment Management - Optimal Income Sterling Fund	111	3.98
2,339	Nordea 1 European High Yield Bond Fund	50	1.77
9,202	Old Mutual Local Currency Emerging Market Debt Fund	96	3.41
250,450	Old Mutual Specialist Funds - Bond 3 Fund	112	3.98
199	Schroder GAIA Global Macro Bond Fund	21	0.74
		<u>411</u>	<u>14.62</u>
	International Equities 26.10%		
27,410	JPMorgan Funds - US Equity Income Fund	46	1.63
135,508	Montanaro Euro Smaller Equity Fund	182	6.46
20,070	Old Mutual Investment Funds - Global Asian Equity Fund	194	6.89
379,655	Old Mutual Investment Funds - Global Equity Income Fund	212	7.53
113,291	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	101	3.59
		<u>735</u>	<u>26.10</u>
	Non-Equity Investment Instruments 12.71%		
131	Fulcrum Alternative Beta Plus Fund	14	0.50
147	Fulcrum Commodity Fund	15	0.53
16,778	Goldman Sachs Strategic Commodities Fund	84	2.98
13,846	M&G Macro Episode Fund	14	0.50
772	Morgan Stanley Investment Funds - Diversified Alpha Plus Fund	21	0.74
1,486	Old Mutual Global Futures Fund	14	0.50
2,237	Polar Capital Funds - European Market Neutral Fund	21	0.74
6,524	TG Investment Funds - TG RARE Infrastructure Fund	103	3.66
2,982	Threadneedle (Lux) - Enhanced Commodities Fund	72	2.56
		<u>358</u>	<u>12.71</u>
	Overseas Derivatives (0.28)%		
	US Dollar Denominated Open Forward Exchange Contracts 0.00%		
1,647	US Dollar vs Sterling Forward Exchange Contract	0	0.00

Portfolio statement (continued)

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	US Dollar Denominated Option Contracts (0.28)%		
(50)	Call iShares MSCI Emerging Markets Index Option 18/05/2013	(6)	(0.21)
(11)	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	(2)	(0.07)
11	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	0	0.00
		<u>(8)</u>	<u>(0.28)</u>
	Investment assets	2,783	98.86
	Net other assets	32	1.14
	Total net assets	<u>2,815</u>	<u>100.00</u>

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

	Note	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Income			
Net capital gains	2		137
Revenue	3	49	
Expenses	4	(25)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		23	
Taxation	5	(1)	
Net revenue after taxation			22
Total return before distributions			159
Finance costs: Distributions	6		(39)
Change in net assets attributable to shareholders from investment activities			120

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	2,740	
Amounts paid on cancellation of shares	(44)	
		2,696
Stamp duty reserve tax		(1)
Change in net assets attributable to shareholders from investment activities		120
Closing net assets attributable to shareholders		2,815

The notes on pages 32 to 38 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Note	30.04.13 £'000	30.04.13 £'000
Assets			
Investment assets			2,791
Debtors	7	16	
Cash and bank balances	8	85	
Total other assets			101
Total assets			2,892
Liabilities			
Investment liabilities			(8)
Creditors	9	(23)	
Bank overdrafts		(2)	
Distribution payable on income shares		(44)	
Total other liabilities			(69)
Total liabilities			(77)
Net assets attributable to shareholders			2,815

The notes on pages 32 to 38 form an integral part of these statements.

Notes to the financial statements

For the period from 9 November 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Generation Target 3:4 Fund are included on pages 15 to 16 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 derivative contracts

Losses on forward currency contracts

Handling charges

Net capital gains

**09.11.12 to
30.04.13
£'000**

153

(10)

(5)

(1)

137

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Derivative income

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

**09.11.12 to
30.04.13
£'000**

4

4

1

7

15

2

1

15

49

Notes to the financial statements (continued)

4 Expenses

	01.11.12 to 30.04.13 £'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	6
	6
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	-
Safe custody fees	-
	-
Other expenses:	
Administration fees	3
Audit fees *	7
Risk & compliance monitoring fees	9
	19
Total expenses	25

* The Audit fee for the year, excluding VAT, was £5,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	01.11.12 to 30.04.13 £'000
Total current tax charge for the period (see note 5(b))	-
Deferred tax charge for the period	1
Deferred tax charge for the period (see note 5(c))	1
Total taxation for the period	1

b) Factors affecting current tax charge for the year

	01.11.12 to 30.04.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:	
Net revenue before taxation	23
Corporation tax at 20%	5
Effects of:	
Excess management expenses for which no relief taken	1
Franked investment revenue at 20%	(3)
Movement in revenue accruals taxable on receipt	(2)
Non-taxable overseas dividends	(1)
Total current tax charge for the period (see note 5 (a))	-

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

c) Movement in deferred tax

	01.11.12 to 30.04.13 £'000
Deferred tax at the start of the period	-
Deferred tax charge for the year (see note 5(a))	1
Deferred tax at the end of the period	1

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:

	01.11.12 to 30.04.13 £'000
Final (30 April)	44
	44
Revenue deducted on cancellation of shares	-
Revenue received on issue of shares	(5)
Finance costs: Distributions	39
Finance costs: Interest	1
Total finance costs	40
Reconciliation of distributions:	
Net revenue after taxation	22
ACD capitalised fee rebate	(4)
Capitalised fees	24
CT relief transfer	(3)
Finance costs: Distributions	39

Details of the final distributions per share are set out in the table on page 39.

7 Debtors

	30.04.13 £'000
Accrued Authorised Corporate Director's fee rebates	4
Accrued revenue	12
Total debtors	16

8 Cash and bank balances

	30.04.13 £'000
Amounts held at futures clearing houses and brokers	41
Cash and bank balances	44
Total cash and bank balances	85

9 Creditors

	30.04.13 £'000
Accrued Authorised Corporate Director's periodic charge	3
Accrued expenses	19
Deferred tax	1
Total creditors	23

Notes to the financial statements (continued)

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the period end are disclosed in note 9.

The fund held the following securities and earned the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
1,486	Old Mutual Global Futures Fund	14	-
379,656	Old Mutual Investment Funds - Global Equity Income Fund	212	1
261,434	Old Mutual Investment Funds - UK Gilt	181	1
113,291	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	101	-
486,051	Old Mutual Investment Funds- Bond 2 Fund	228	1
20,070	Old Mutual Investment Funds- Global Asian Equity Fund	194	-
9,202	Old Mutual Local Currency Emerging Market Debt Fund	96	1
123,664	Old Mutual Multimanager Trust - Equity 1 Fund	96	-
523,206	Old Mutual Property Fund	192	4
370,674	Old Mutual Specialist Funds - Bond 1 Fund	168	2
250,449	Old Mutual Specialist Funds - Bond 3 Fund	112	3

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 24.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

b) Currency exposures

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 foreign currency exposure of the sub-fund as at 30 April 2013, was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total
	30.04.2013 £'000	30.04.2013 £'000	30.04.2013 £'000
Euro		2	2
US Dollar	(2)	(6)	(8)
Total	(2)	(4)	(6)

*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 30 April 2013 was as follows:

Currency	Variable rate financial assets*	Fixed rate financial assets	Financial assets not carrying interest	Total
30.04.13	£'000	£'000	£'000	£'000
Euro		-	71	71
Sterling		85	2,806	2,891
US Dollar		-	87	87
Total		85	2,964	3,049

Currency	Variable rate financial liabilities*	Financial liabilities not carrying interest	Total
30.04.13	£'000	£'000	£'000
Euro		(69)	(69)
Sterling		(70)	(70)
US Dollar	(2)	(93)	(95)
Total	(2)	(232)	(234)

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

d) 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.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 3:4 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 held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the sub-fund as at 30 April 2013 was 3.27%.

The minimum, average and maximum VaR of the sub-fund over the year was 2.92%, 4.21% and 6.62%.

The absolute VaR limit of the sub-fund is limited to 20% of its Net Asset Value, based upon a 1 month holding period and a 99% confidence interval. This limit has not been exceeded over the period.

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 3:4 Fund are included on page 22 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 24.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 9 November 2012
 Group 2: Shares purchased from 9 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share
Generation 3:4 A Shares Inc Shares			
Group 1	0.8028	-	0.8028
Group 2	0.4363	0.3665	0.8028
Generation 3:4 R Shares Inc Shares			
Group 1	0.8457	-	0.8457
Group 2	0.8457	0.000	0.8457

* 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.

Old Mutual Generation Target 3:6 Fund

Launch date	9 November 2012
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited Analytic Investors LLC
Net asset value	£2,749,676

Objective

The Old Mutual Generation Target 3:6 aims to achieve an annual return of 3% above the UK rate of inflation over rolling 5 year periods through a combination of the returns on income and capital by gaining exposure to a diversified range of asset classes. Out of this return, the fund aims to provide a regular income of 6% per annum.

Policy

The sub-fund will invest through collective investment schemes (up to 100% of the value of the Fund, including those that are managed or operated by the ACD or an associate of the ACD) in order to give exposure to a diversified portfolio of asset classes including, but not limited to, equities, fixed interest, property, commodities (only via collective investment schemes) and currency.

The sub-fund may also invest directly in transferable securities, derivative instruments and forward transactions (for the purposes of meeting the investment objective or efficient portfolio management), cash, near cash, warrants, money market instruments, and permitted deposits. The sub-fund may sell call options over securities or portfolios of securities or indices in order to generate additional income.

The sub-fund will reference the Consumer Prices Index for determining the UK rate of inflation.

The target returns on both capital and income are not guaranteed.

Performance record

Net asset value

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

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.13			
Generation 3:6 A Shares Inc	£677,098	1,310,990	51.65
Generation 3:6 R Shares Inc	£2,072,578	4,000,378	51.81

Comparative table

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

Calendar year	Highest price	Lowest price
2012*		
Generation 3:6 A Shares Inc	50.93	49.68
Generation 3:6 R Shares Inc	50.99	49.69
2013*		
Generation 3:6 A Shares Inc	53.64	50.82
Generation 3:6 R Shares Inc	53.75	50.88

* to 30 April

Income (Net Distributions)

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

Calendar year	Pence per share
2013*	
Generation 3:6 A Shares Inc	1.1456
Generation 3:6 R Shares Inc	1.1579

* ex dividend date of 30 April and payable on 28 June 2013

Investment Manager's review

The launch of Generation in mid-November 2012 coincided with investors' appetite for risk seeming to gain a more secure footing, illustrated by the return of the value theme in global equity markets and healthier liquidity levels. This proved a strong setting for Generation's income-focused objective.

The global economic background was one of slow improvement in the final months of 2012. Europe, however, was the exception, with much of the region mired in recession. Despite changes in leadership in China and Japan, plus the re-election of President Obama, the final months of 2012 were less volatile than earlier in the year, though nervousness about the US fiscal cliff prompted some jitters at the end of December.

Despite this global markets advanced, led by a decided preference for higher risk assets. This development proved a boon to Generation, which was positioned for just such a recovery in risk assets. Meanwhile, perceived quality 'safe' businesses languished.

In the New Year, financial markets continued to gain, and in America by the end of March the broad equity market, as represented by the S&P 500, moved above the previous all-time high that it had reached back in October of 2007. Yet the tone did not really feel like that of a typical bull market. Equities seemed to gain because investors regarded them as the least bad option. And while shares as a whole advanced, there was increasing differentiation in performance among the different sectors, driven by the same cautious dynamic.

The equities that outperformed were those of big established defensive companies seen as least sensitive to the economic environment, particularly the shares of businesses with large cash balances offering attractive dividends. This was good news for large blue chip companies, and at the country level the US. The best performers were those in industries like utilities, healthcare and consumer staples.

By contrast, cyclical stocks did poorly. For similar reasons emerging market (EM) stocks were another weak area. China was one of the notable soft spots. The strong performance seen in emerging market stocks in the fourth quarter carried over into January, but began to sell off in February and even more so in March amid new worries over China's economy and in Europe the new problems with Cyprus banks. Meanwhile, commodity stocks sold off over most of the period as unease about the global economy raised questions about the level of future demand for basic materials.

By the end of the review period, these market developments left US equities appearing rather expensive, but EM stocks looked good value. Global government bonds strengthened towards the end of the review interval, with yields declining amid renewed worries about the health of the world economy, plus new concerns over the single currency project after elections in Italy resulted in a hung parliament, and Cyprus became the latest Mediterranean member to become the epicentre of a banking crisis. By contrast, corporate credit, especially high yield, continued to advance in January. Interestingly, though they underperformed government bonds in the final months, they remained surprisingly resilient in real terms despite the increased risk aversion.

Generation's performance from its launch in mid November until the end of December was excellent. Asset allocation was positive, though this was entirely attributable to a strong showing in equities. Manager selection was also beneficial, with all the asset classes - equity, fixed income and alternatives - contributing to the positive effect.

Likewise, the first quarter of 2013 was a good period for the fund. January was beneficial for relative performance, while February was mixed, but March was poor. Fortunately, there were no big detractors among the sub funds, with value-focused managers modestly contributing to the portfolio's

performance in an environment that favoured value-oriented stocks. Among the asset classes overall, equities were easily the single strongest area of the portfolio in absolute and relative terms, although fixed income holdings were also positive and benefited returns. Manager selection was positive for performance in all areas except equities.

Within equities, the portfolio's holdings in the US and Europe achieved the biggest absolute returns. The holding in UK equities was the biggest relative contributor to performance. The focus on companies well positioned to excel in rising markets remained a significant factor in first quarter performance. Even though the US was one of the stronger performing markets in the first quarter, and manager selection was good, its contribution to Generation's overall performance was fairly modest due to the small size of the holding.

The holding in Japanese equities was also positive. Although the fund was only briefly overweight in Japan, the allocation was a strong absolute benefit for the fund. Japan's stocks continued to rally from the change in fiscal and monetary policy associated with a stimulus programme by the new Liberal Democrat government headed by Prime Minister Shinzo Abe.

While managing continued absolute gains, the European portion of the portfolio had a relatively modest positive impact on performance, partly due to the rather weak contribution from manager selection. European markets also lagged other outperforming regions such as the US and Japan, with investors troubled by on-going economic weakness and a new financial crisis in Cyprus.

Though the Asian holdings gained in real terms in the first quarter, the region's equities nevertheless lagged other areas and their contribution to performance was marginal. China's economic data was disappointing during the period, which hurt investor sentiment. The performance from the Asian managers was only slightly positive. Outside of Asia, Generation's emerging market (EM) equity exposures helped performance in January when risk appetite remained strong, but detracted in February and March with the return of investor caution. Commodity stocks underperformed over the whole of the quarter amid renewed worries about the prospects for the global economy. This was unhelpful for the exchanges of EM countries, on many of which are listed big exporters of basic materials to the West. Meanwhile, manager selection in this area was not productive.

All asset classes in fixed income benefited Generation's performance. Manager selection was strongly positive. Generation's holding in emerging market fixed income was the second-strongest contributor to performance, benefitting from successful manager selection. Investment grade corporate bonds underperformed in the first half of the period, but rallied in the second part of the quarter in response to increased investor jitters associated with the Cyprus banking crisis and the uncertain Italian election outcome. The portfolio's small holding of sovereigns had a negligible impact on performance.

The return for the property portion of the portfolio was only modestly positive in the first quarter, and its overall impact on the portfolio was again marginal.

We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

The growing variation in performance among different asset classes, which has become increasingly evident since late last year, is generally a favourable environment for a multi-asset portfolio like Generation, providing greater scope to enhance performance through stock selection. As far as the condition that companies are in, they continue to be in generally good financial shape, but with the global recovery remaining modest

there does not appear to be a catalyst for exceptionally strong outperformance in the near term. At present, investors seem fixated on a search for income and yield. Many appear willing to buy large, established, cash-rich defensive companies, even when their shares have begun to look fully priced. Valuations are being given less emphasis. As a result, some market segments look a bit out of kilter. Our view is that these conditions are not sustainable. While many investors seem intent on dividend stocks, for Generation we look for good value rather than just a good dividend regardless of the price.

We therefore seek to avoid investing in companies whose buy rationale looks fully priced in, even if this might limit short-term gains for the portfolio. Instead we are focusing on companies that have the potential to improve their business, and provide positive surprises – much of this theme is being employed in the Wellington sub-fund. The same theme is true for the portfolio's fixed income side, where DuPont was a favoured sub-portfolio as part of this approach. In emerging markets we are looking at local consumer focused businesses (for example in the Aubrey allocation in the Old Mutual Voyager Global Dynamic Equity Fund). In terms of changes within the portfolio, we allocated to Schroders in Asia, replacing First State from the Old Mutual Voyager Global Dynamic Equity Fund. The Schroders mandate is run by Robin Parbrook and will deliver a quality biased portfolio but with the pragmatism to move into more opportunistic investments as and when they arise.

Risk and Reward Profile



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

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

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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.

Asset allocation		Major holdings	Percentage of portfolio
Equities	38.54%	Old Mutual Investment Funds- Bond 2 Fund	7.89%
Bonds	27.89%	Old Mutual Investment Funds - Global Equity Income Fund	7.31%
Non-Equity Investment Instruments	23.53%	Old Mutual Investment Funds- Global Asian Equity Fund	6.69%
Gilts	6.25%	Old Mutual Property Fund	6.62%
Derivatives	(1.05)%	Montanaro Euro Smaller Equity Fund	6.29%
Net other assets	4.84%	Old Mutual Investment Funds – Gilt Fund	6.25%
Total	100.00%	Old Mutual Specialist Funds - Bond 1 Fund	5.78%
Portfolio allocation		Schroder Income Fund	5.27%
International Equities	25.38%	M&G Property Portfolio Fund	4.62%
Non-Equity Investment Instruments	23.53%	Liontrust Macro Equity Income Fund	4.58%
International Bonds	14.22%	Number of holdings	28
UK Bonds	13.67%	Ongoing charges figure (OCF)*	
UK Equities	13.16%	30.04.13 Generation 3:6 A Shares Inc *	3.17%
UK Gilts	6.25%	30.04.13 Generation 3:6 R Shares Inc *	2.42%
Derivatives	(1.05)%		
Net other assets	4.84%		
Total	100.00%		

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
United Kingdom 44.36%			
Non-Equity Investment Instruments 11.24%			
12,511	M&G Property Portfolio Fund	127	4.62
496,344	Old Mutual Property Fund	182	6.62
		<u>309</u>	<u>11.24</u>
UK Bonds 13.67%			
461,095	Old Mutual Investment Funds - Bond 2 Fund	217	7.89
351,643	Old Mutual Specialist Funds - Bond 1 Fund	159	5.78
		<u>376</u>	<u>13.67</u>
UK Equities 13.16%			
72,815	CF Liontrust Macro Equity Income Fund	126	4.58
117,315	Old Mutual Multimanager Trust - Equity 1 Fund	91	3.31
15,418	Schroder Income Fund	146	5.27
		<u>362</u>	<u>13.16</u>
UK Gilts 6.25%			
248,012	Old Mutual Specialist Funds - UK Gilt	172	6.25
		<u>172</u>	<u>6.25</u>
United Kingdom Derivatives 0.04%			
Sterling Denominated Open Forward Exchange Contract 0.04%			
£67,698	Sterling v United States dollar Forward Exchange Contract	0	0.00
£66,160	Sterling v Euro Forward Exchange Contract	1	0.04
£13,801	Sterling v United States dollar Forward Exchange Contract	0	0.00
		<u>1</u>	<u>0.04</u>
Overseas 51.89%			
International Bonds 14.19%			
274	JPMorgan Income Opportunity Plus Fund	20	0.73
76,307	M&G Investment Management - Optimal Income Sterling Fund	106	3.85
2,219	Nordea 1 European High Yield Bond Fund	47	1.71
8,730	Old Mutual Local Currency Emerging Market Debt Fund	91	3.31
237,590	Old Mutual Specialist Funds - Bond 3 Fund	107	3.89
189	Schroder GAIA Global Macro Bond Fund	20	0.73
		<u>391</u>	<u>14.22</u>
International Equities 25.38%			
26,003	JPMorgan Funds - US Equity Income Fund	44	1.60
128,551	Montanaro Euro Smaller Equity Fund	173	6.29
19,039	Old Mutual Investment Funds - Global Asian Equity Fund	184	6.69
360,163	Old Mutual Investment Funds - Global Equity Income Fund	201	7.31
107,474	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	96	3.49
		<u>698</u>	<u>25.38</u>
Non-Equity Investment Instruments 12.29%			
125	Fulcrum Alternative Beta Plus Fund	13	0.47
140	Fulcrum Commodity Fund	14	0.51
15,916	Goldman Sachs Strategic Commodities Fund	80	2.91
13,135	M&G Macro Episode Fund	13	0.47
733	Morgan Stanley Investment Funds - Diversified Alpha Plus Fund	20	0.73
1,410	Old Mutual Global Futures Fund	14	0.51
2,122	Polar Capital Funds - European Market Neutral Fund	19	0.69
6,189	TG Investment Funds - TG RARE Infrastructure Fund	97	3.53
2,829	Threadneedle (Lux) - Enhanced Commodities Fund	68	2.47
		<u>338</u>	<u>12.29</u>
Overseas Derivatives (1.09)%			
US Dollar Denominated Open Forward Exchange Contracts 0.00%			
1,563	US Dollar vs Sterling Forward Exchange Contract	0	0.00

Portfolio statement (continued)

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	US Dollar Denominated Option Contracts (1.09)%		
(198)	Call iShares MSCI Emerging Markets Index Option 18/05/2013	(24)	(0.87)
(44)	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	(7)	(0.26)
44	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	1	0.04
		<u>(30)</u>	<u>(1.09)</u>
	Investment assets	2,617	95.16
	Net other assets	133	4.84
	Total net assets	<u>2,750</u>	<u>100.00</u>

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

	Note	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Income			
Net capital gains	2		85
Revenue	3	69	
Expenses	4	(25)	
Finance costs: Interest	6	(1)	
Net revenue before taxation		43	
Taxation	5	(5)	
Net revenue after taxation			38
Total return before distributions			123
Finance costs: Distributions	6		(55)
Change in net assets attributable to shareholders from investment activities			68

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	2,781	
Amounts paid on cancellation of shares	(98)	
		2,683
Stamp duty reserve tax		(1)
Change in net assets attributable to shareholders from investment activities		68
Closing net assets attributable to shareholders		2,750

The notes on pages 48 to 54 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Note	30.04.13 £'000	30.04.13 £'000
Assets			
Investment assets			2,648
Debtors	7	18	
Cash and bank balances	8	211	
Total other assets			229
Total assets			2,877
Liabilities			
Investment liabilities			(31)
Creditors	9	(25)	
Bank overdrafts		(10)	
Distribution payable on income shares		(61)	
Total other liabilities			(96)
Total liabilities			(127)
Net assets attributable to shareholders			2,750

The notes on pages 48 to 54 form an integral part of these financial statements.

Notes to the financial statements

For the period from 9 November 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Generation Target 3:6 Fund are included on pages 15 to 16 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 derivative contracts

Losses on forward currency contracts

Handling charges

Net capital gains

09.11.12 to
30.04.13
£'000

134

(1)

(42)

(5)

(1)

85

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Derivative income

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

09.11.12 to
30.04.13
£'000

4

4

30

17

2

1

11

69

Notes to the financial statements (continued)

4 Expenses

	09.11.12 to 30.04.13 £'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	6
	6
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	-
Safe custody fees	-
	-
Other expenses:	
Administration fees	3
Audit fees *	7
Risk & compliance monitoring fees	9
	19
Total expenses	25

* The Audit fee for the period, excluding VAT, was £5,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	09.11.12 to 30.04.13 £'000
Corporation tax suffered	3
Total current tax charge for the period (see note 5(b))	3
Deferred tax charge for the period	2
Deferred tax charge for the period (see note 5(c))	2
Total taxation for the period	5

b) Factors affecting current tax charge for the period

	09.11.12 to 30.04.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:	
Net revenue before taxation	43
Corporation tax at 20%	8
Effects of:	
Franked investment revenue at 20%	(3)
Movement in revenue accruals taxable on receipt	(2)
Total current tax charge for the period (see note 5 (a))	3

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

c) Movement in deferred tax

	09.11.12 to 30.04.13 £'000
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	2
Deferred tax at the end of the period	2

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:

	09.11.12 to 30.04.13 £'000
Final (30 April)	61
Revenue deducted on cancellation of shares	61
Revenue received on issue of shares	-
	(6)
Finance costs: Distributions	55
Finance costs: Interest	1
Total finance costs	56
Reconciliation of distributions:	
Net revenue after taxation	38
ACD capitalised fee rebate	(4)
Capitalised fees	25
CT relief transfer	(4)
Finance costs: Distributions	55

Details of the final distributions per share are set out in the table on page 55.

7 Debtors

	30.04.13 £'000
Accrued Authorised Corporate Director's fee rebates	4
Accrued revenue	10
Amounts receivable for issue of shares	4
Total debtors	18

8 Cash and bank balances

	30.04.13 £'000
Amounts held at futures clearing houses and brokers	163
Cash and bank balances	48
Total cash and bank balances	211

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000
Accrued Authorised Corporate Director's periodic charge	1
Accrued expenses	19
Corporation tax payable	3
Deferred tax	2
Total creditors	25

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
1,410	Old Mutual Global Futures Fund	14	-
360,164	Old Mutual Investment Funds - Global Equity Income Fund	201	1
248,012	Old Mutual Investment Funds - UK Gilt	172	1
107,474	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	96	-
461,095	Old Mutual Investment Funds- Bond 2 Fund	217	1
19,039	Old Mutual Investment Funds- Global Asian Equity Fund	184	-
8,729	Old Mutual Local Currency Emerging Market Debt Fund	91	1
117,314	Old Mutual Multimanager Trust - Equity 1 Fund	91	-
496,344	Old Mutual Property Fund	182	3
351,642	Old Mutual Specialist Funds - Bond 1 Fund	159	1
237,591	Old Mutual Specialist Funds - Bond 3 Fund	107	2

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 40.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

b) Currency exposures

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 foreign currency exposure of the sub-fund as at 30 April 2013, was as follows:

Currency

	Net foreign currency assets/(liabilities)		
	Monetary exposures* 30.04.2013 £'000	Non-monetary exposures 30.04.2013 £'000	Total 30.04.2013 £'000
Euro	-	1	1
US Dollar	(10)	(28)	(38)
Total	(10)	(27)	(37)

*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 30 April 2013 was as follows:

Currency	Fixed rate financial assets 30.04.13 £'000	Financial assets not carrying interest £'000	Total £'000
Euro	-	67	67
Sterling	211	2,664	2,875
US Dollar	-	84	84
Total	211	2,815	3,026

Currency	Variable rate financial liabilities* 30.04.13 £'000	Financial liabilities not carrying interest £'000	Total £'000
Euro	-	(66)	(66)
Sterling	-	(89)	(89)
US Dollar	(10)	(112)	(122)
Total	(10)	(267)	(277)

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

d) 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.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 3:6 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 held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the fund and the benchmark as at 30/04/2013 was 3.83% and 6.48% respectively.

The minimum, average and maximum VaR of the fund over the year was 2.49%, 4.01% and 6.77%..

The absolute VaR limit of the sub-fund is limited to 20% of its Net Asset Value, based upon a 1 month holding period and a 99% confidence interval. This limit has not been exceeded over the period.

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 3:6 Fund are included on page 22 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 40.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 9 November 2012
 Group 2: Shares purchased from 9 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share
Generation 3:6 A Shares Inc Shares			
Group 1	1.1456	-	1.1456
Group 2	0.6044	0.5412	1.1456
Generation 3:6 R Shares Inc Shares			
Group 1	1.1579	-	1.1579
Group 2	1.1579	0.000	1.1579

* 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.

Old Mutual Generation Target 4:4 Fund

Launch date	9 November 2012
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited Analytic Investors LLC
Net asset value	£27,217,769

Objective

The Old Mutual Generation Target 4:4 aims to achieve an annual return of 4% above the UK rate of inflation over rolling 7 year periods through a combination of the returns on income and capital by gaining exposure to a diversified range of asset classes. Out of this return, the fund aims to provide a regular income of 4% per annum.

Policy

The sub-fund will invest through collective investment schemes (up to 100% of the value of the Fund, including those that are managed or operated by the ACD or an associate of the ACD) in order to give exposure to a diversified portfolio of asset classes including, but not limited to, equities, fixed interest, property, commodities (only via collective investment schemes) and currency.

The sub-fund may also invest directly in transferable securities, derivative instruments and forward transactions (for the purposes of meeting the investment objective or efficient portfolio management), cash, near cash, warrants, money market instruments, and permitted deposits. The sub-fund may sell call options over securities or portfolios of securities or indices in order to generate additional income.

The sub-fund will reference the Consumer Prices Index for determining the UK rate of inflation.

The target returns on both capital and income are not guaranteed.

Performance record

Net asset value

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

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.13			
Generation 4:4 A Shares Inc	£963,124	1,767,816	54.48
Generation 4:4 R Shares Inc	£26,254,645	48,058,543	54.63

Comparative table

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

Calendar year	Highest price	Lowest price
2012*		
Generation 4:4 A Shares Inc	51.79	49.64
Generation 4:4 R Shares Inc	51.84	49.65
2013**		
Generation 4:4 A Shares Inc	55.77	51.69
Generation 4:4 R Shares Inc	55.87	51.74

* from 9 November 2012

** to 30 April

Income (Net Distributions)

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

Calendar year	Pence per share
2013*	
Generation 4:4 A Shares Inc	0.7588
Generation 4:4 R Shares Inc	0.7796

* ex dividend date of 30 April and payable on 28 June 2013

Investment Manager's review

The launch of Generation in mid-November 2012 coincided with investors' appetite for risk seeming to gain a more secure footing, illustrated by the return of the value theme in global equity markets and healthier liquidity levels. This proved a strong setting for Generation's income-focused objective.

The global economic background was one of slow improvement in the final months of 2012. Europe, however, was the exception, with much of the region mired in recession. Despite changes in leadership in China and Japan, plus the re-election of President Obama, the final months of 2012 were less volatile than earlier in the year, though nervousness about the US fiscal cliff prompted some jitters at the end of December.

Despite this global markets advanced, led by a decided preference for higher risk assets. This development proved a boon to Generation, which was positioned for just such a recovery in risk assets. Meanwhile, perceived quality 'safe' businesses languished.

In the New Year, financial markets continued to gain, and in America by the end of March the broad equity market, as represented by the S&P 500, moved above the previous all-time high that it had reached back in October of 2007. Yet the tone did not really feel like that of a typical bull market. Equities seemed to gain because investors regarded them as the least bad option. And while shares as a whole advanced, there was increasing differentiation in performance among the different sectors, driven by the same cautious dynamic.

The equities that outperformed were those of big established defensive companies seen as least sensitive to the economic environment, particularly the shares of businesses with large cash balances offering attractive dividends. This was good news for large blue chip companies, and at the country level the US. The best performers were those in industries like utilities, healthcare and consumer staples.

By contrast, cyclical stocks did poorly. For similar reasons emerging market (EM) stocks were another weak area. China was one of the notable soft spots. The strong performance seen in emerging market stocks in the fourth quarter carried over into January, but began to sell off in February and even more so in March amid new worries over China's economy and in Europe the new problems with Cyprus banks. Meanwhile, commodity stocks sold off over most of the period as unease about the global economy raised questions about the level of future demand for basic materials.

By the end of the review period, these market developments left US equities appearing rather expensive, but EM stocks looked good value. Global government bonds strengthened towards the end of the review interval, with yields declining amid renewed worries about the health of the world economy, plus new concerns over the single currency project after elections in Italy resulted in a hung parliament, and Cyprus became the latest Mediterranean member to become the epicentre of a banking crisis. By contrast, corporate credit, especially high yield, continued to advance in January. Interestingly, though they underperformed government bonds in the final months, they remained surprisingly resilient in real terms despite the increased risk aversion.

Generation's performance from its launch in mid November until the end of December was excellent. Asset allocation was positive, though this was entirely attributable to a strong showing in equities. Manager selection was also beneficial, with all the asset classes - equity, fixed income and alternatives - contributing to the positive effect.

Likewise, the first quarter of 2013 was a good period for the fund. January was beneficial for relative performance, while February was mixed, but March was poor. Fortunately, there were no big detractors among the sub funds, with value-focused managers modestly contributing to the portfolio's

performance in an environment that favoured value-oriented stocks. Among the asset classes overall, equities were easily the single strongest area of the portfolio in absolute and relative terms, although fixed income holdings were also positive and benefited returns. Manager selection was positive for performance in all areas except equities.

Within equities, the portfolio's holdings in the US and Europe achieved the biggest absolute returns. The holding in UK equities was the biggest relative contributor to performance. The focus on companies well positioned to excel in rising markets remained a significant factor in first quarter performance. Even though the US was one of the stronger performing markets in the first quarter, and manager selection was good, its contribution to Generation's overall performance was fairly modest due to the small size of the holding.

The holding in Japanese equities was also positive. Although the fund was only briefly overweight in Japan, the allocation was a strong absolute benefit for the fund. Japan's stocks continued to rally from the change in fiscal and monetary policy associated with a stimulus programme by the new Liberal Democrat government headed by Prime Minister Shinzo Abe.

While managing continued absolute gains, the European portion of the portfolio had a relatively modest positive impact on performance, partly due to the rather weak contribution from manager selection. European markets also lagged other outperforming regions such as the US and Japan, with investors troubled by on-going economic weakness and a new financial crisis in Cyprus.

Though the Asian holdings gained in real terms in the first quarter, the region's equities nevertheless lagged other areas and their contribution to performance was marginal. China's economic data was disappointing during the period, which hurt investor sentiment. The performance from the Asian managers was only slightly positive. Outside of Asia, Generation's emerging market (EM) equity exposures helped performance in January when risk appetite remained strong, but detracted in February and March with the return of investor caution. Commodity stocks underperformed over the whole of the quarter amid renewed worries about the prospects for the global economy. This was unhelpful for the exchanges of EM countries, on many of which are listed big exporters of basic materials to the West. Meanwhile, manager selection in this area was not productive.

All asset classes in fixed income benefited Generation's performance. Manager selection was strongly positive. Generation's holding in emerging market fixed income was the second-strongest contributor to performance, benefitting from successful manager selection. Investment grade corporate bonds underperformed in the first half of the period, but rallied in the second part of the quarter in response to increased investor jitters associated with the Cyprus banking crisis and the uncertain Italian election outcome. The portfolio's small holding of sovereigns had a negligible impact on performance.

The return for the property portion of the portfolio was only modestly positive in the first quarter, and its overall impact on the portfolio was again marginal.

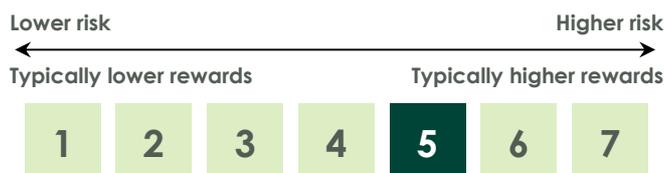
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

The growing variation in performance among different asset classes, which has become increasingly evident since late last year, is generally a favourable environment for a multi-asset portfolio like Generation, providing greater scope to enhance performance through stock selection. As far as the condition that companies are in, they continue to be in generally good financial shape, but with the global recovery remaining modest

there does not appear to be a catalyst for exceptionally strong outperformance in the near term. At present, investors seem fixated on a search for income and yield. Many appear willing to buy large, established, cash-rich defensive companies, even when their shares have begun to look fully priced. Valuations are being given less emphasis. As a result, some market segments look a bit out of kilter. Our view is that these conditions are not sustainable. While many investors seem intent on dividend stocks, for Generation we look for good value rather than just a good dividend regardless of the price.

We therefore seek to avoid investing in companies whose buy rationale looks fully priced in, even if this might limit short-term gains for the portfolio. Instead we are focusing on companies that have the potential to improve their business, and provide positive surprises – much of this theme is being employed in the Wellington sub-fund. The same theme is true for the portfolio's fixed income side, where DuPont was a favoured sub-portfolio as part of this approach. In emerging markets we are looking at local consumer focused businesses (for example in the Aubrey allocation in the Old Mutual Voyager Global Dynamic Equity Fund). In terms of changes within the portfolio, we allocated to Schroders in Asia, replacing First State from the Old Mutual Voyager Global Dynamic Equity Fund. The Schroders mandate is run by Robin Parbrook and will deliver a quality biased portfolio but with the pragmatism to move into more opportunistic investments as and when they arise.

Risk and Reward Profile



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

Sub-funds in category 5 have in the past shown moderately high volatility. With a fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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.

Asset allocation		Major holdings	Percentage of portfolio
Equities	58.49%	Old Mutual Investment Funds - Global Equity Income Fund	9.18%
Non-Equity Investment Instruments	24.65%	Old Mutual Investment Funds- Global Asian Equity Fund	8.98%
Bonds	14.60%	Montanaro Euro Smaller Equity Fund	8.54%
Gilts	1.48%	Schroder Income Fund	8.49%
Derivatives	(0.22)%	Liontrust Macro Equity Income Fund	7.40%
Net other assets	1.00%	Old Mutual Property Fund	7.11%
Total	100.00%	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	6.11%
Portfolio allocation		Old Mutual Multimanager Trust - Equity 1 Fund	5.51%
International Equities	37.09%	M&G Property Portfolio Fund	4.87%
Non-Equity Investment Instruments	24.65%	JP Morgan US Equity Income Fund	4.28%
UK Equities	21.40%		
International Bonds	8.31%	Number of holdings	28
UK Bonds	6.29%		
UK Gilts	1.48%	Ongoing charges figure (OCF)*	
Derivatives	(0.22)%		
Net other assets	1.00%	30.04.13 Generation 4:4 A Shares Inc	2.05%
Total	100.00%	30.04.13 Generation 4:4 R Shares Inc	1.30%

* 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.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 41.20%		
	Non-Equity Investment Instruments 11.98%		
130,497	M&G Property Portfolio Fund	1,325	4.87
5,280,671	Old Mutual Property Fund	1,934	7.11
		3,259	11.98
	UK Bonds 6.29%		
1,736,091	Old Mutual Investment Funds - Bond 2 Fund	816	3.00
1,978,946	Old Mutual Specialist Funds - Bond 1 Fund	897	3.29
		1,713	6.29
	UK Equities 21.40%		
1,162,945	CF Liontrust Macro Equity Income Fund	2,015	7.40
1,937,386	Old Mutual Multimanager Trust - Equity 1 Fund	1,501	5.51
244,726	Schroder Income Fund	2,310	8.49
		5,826	21.40
	UK Gilts 1.48%		
581,999	Old Mutual Specialist Funds - UK Gilt	403	1.48
		403	1.48
	United Kingdom Derivatives 0.04%		
	Sterling Denominated Open Forward Exchange Contract 0.04%		
£140,327	Sterling v United States dollar Forward Exchange Contract	2	0.01
£13,630	Sterling v Euro Forward Exchange Contract	0	0.00
£695,387	Sterling v United States dollar Forward Exchange Contract	5	0.02
£457,635	Sterling v Euro Forward Exchange Contract	4	0.01
		11	0.04
	Overseas 57.81%		
	International Bonds 8.31%		
2,738	JPMorgan Income Opportunity Plus Fund	196	0.72
449,548	M&G Investment Management - Optimal Income Sterling Fund	624	2.29
11,704	Nordea 1 European High Yield Bond Fund	250	0.92
43,717	Old Mutual Local Currency Emerging Market Debt Fund	454	1.67
1,200,642	Old Mutual Specialist Funds - Bond 3 Fund	539	1.98
1,892	Schroder GAIA Global Macro Bond Fund	199	0.73
		2,262	8.31
	International Equities 37.09%		
686,156	JPMorgan Funds - US Equity Income Fund	1,164	4.28
1,730,751	Montanaro Euro Smaller Equity Fund	2,324	8.54
252,506	Old Mutual Investment Funds - Global Asian Equity Fund	2,443	8.98
4,484,644	Old Mutual Investment Funds - Global Equity Income Fund	2,500	9.18
1,857,240	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	1,664	6.11
		10,095	37.09
	Non-Equity Investment Instruments 12.67%		
1,273	Fulcrum Alternative Beta Plus Fund	133	0.49
1,238	Fulcrum Commodity Fund	125	0.46
160,349	Goldman Sachs Strategic Commodities Fund	806	2.96
133,871	M&G Macro Episode Fund	134	0.49
8,047	Morgan Stanley Investment Funds - Diversified Apha Plus Fund	217	0.80
13,942	Old Mutual Global Futures Fund	134	0.49
20,510	Polar Capital Funds - European Market Neutral Fund	189	0.69
67,995	TG Investment Funds - TG RARE Infrastructure Fund	1,070	3.93
26,710	Threadneedle (Lux) - Enhanced Commodities Fund	641	2.36
		3,449	12.66
	Overseas Derivatives (0.26)%		
	US Dollar Denominated Open Forward Exchange Contracts 0.00%		
12,477	US Dollar v Sterling Forward Exchange Contract	0	0.00
11,077	US Dollar v Sterling Forward Exchange Contract	0	0.00
		0	0.00

Portfolio statement (continued)

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	US Dollar Denominated Option Contracts -0.27%		
(483)	Call iShares MSCI Emerging Markets Index Option 18/05/2013	(57)	(0.21)
(107)	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	(18)	(0.06)
107	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	3	0.01
		<u>(72)</u>	<u>(0.26)</u>
	Investment assets	26,946	99.00
	Net other assets	272	1.00
	Total net assets	27,218	100.00

Portfolio statement (continued)

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	US Dollar Denominated Option Contracts -0.26%		
(483)	Call iShares MSCI Emerging Markets Index Option 18/05/2013	(57)	(0.21)
(107)	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	(18)	(0.06)
107	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	3	0.01
		<u>(72)</u>	<u>(0.26)</u>
	Investment assets*	26,946	99.00
	Net other assets	272	1.00
	Total net assets	<u>27,218</u>	<u>100.00</u>

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

	Note	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Income			
Net capital gains	2		2,375
Revenue	3	492	
Expenses	4	(90)	
Finance costs: Interest	6	(3)	
Net revenue before taxation		399	
Taxation	5	(37)	
Net revenue after taxation			362
Total return before distributions			2,737
Finance costs: Distributions	6		(391)
Change in net assets attributable to shareholders from investment activities			2,346

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	27,445	
Amounts paid on cancellation of shares	(2,572)	
		24,873
Stamp duty reserve tax		(1)
Change in net assets attributable to shareholders from investment activities		2,346
Closing net assets attributable to shareholders		27,218

The notes on pages 65 to 71 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Note	30.04.13 £'000	30.04.13 £'000
Assets			
Investment assets			27,021
Debtors	7	230	
Cash and bank balances	8	596	
Total other assets			826
Total assets			27,847
Liabilities			
Investment liabilities			(75)
Creditors	9	(124)	
Bank overdrafts		(42)	
Distribution payable on income shares		(388)	
Total other liabilities			(554)
Total liabilities			(629)
Net assets attributable to shareholders			27,218

The notes on pages 65 to 71 form an integral part of these statements.

Notes to the financial statements

For period from 9 November 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Generation Target 4:4 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains

The net capital gains on investments comprise:

	09.11.12 to 30.04.13 £'000
Gains on non-derivative securities	2,544
Losses on currency contracts	(2)
Losses on derivative contracts	(116)
Losses on forward currency contracts	(50)
Handling charges	(1)
Net capital gains	2,375

3 Revenue

	09.11.12 to 30.04.13 £'000
Authorised Corporate Director's fee rebate	47
Authorised Corporate Director's capitalised fee rebate	54
Bank and term deposit interest	1
Derivative income	83
Franked distributions on Collective Investment Schemes	192
Non-taxable overseas dividends	24
Taxable overseas dividends	5
Unfranked distributions on Collective Investment Schemes	86
Total revenue	492

Notes to the financial statements (continued)

4 Expenses

	09.11.12 to 30.04.13 £'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	64
	64
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	1
Safe custody fees	1
	2
Other expenses:	
Administration fees	7
Audit fees *	7
Risk & compliance monitoring fees	10
	24
Total expenses	90

* The Audit fee for the year, excluding VAT, was £5,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	09.11.12 to 30.04.13 £'000
Corporation tax suffered	23
Total current tax charge for the period (see note 5(b))	23
Deferred tax charge for the period	14
Deferred tax charge for the period (see note 5(c))	14
Total taxation for the period	37

b) Factors affecting current tax charge for the period

	09.11.12 to 30.04.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:	
Net revenue before taxation	399
Corporation tax at 20%	80
Effects of:	
Franked investment revenue at 20%	(38)
Movement in revenue accruals taxable on receipt	(14)
Non-taxable overseas dividends	(5)
Total current tax charge for the period (see note 5 (a))	23

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

c) Movement in deferred tax

	09.11.12 to 30.04.13 £'000
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	14
Deferred tax at the end of the period	14

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:

	09.11.12 to 30.04.13 £'000
Final (30 April)	388
	388
Revenue deducted on cancellation of shares	10
Revenue received on issue of shares	(7)
Finance costs: Distributions	391
Finance costs: Interest	3
Total finance costs	394
Reconciliation of distributions:	
Net revenue after taxation	362
ACD capitalised fee rebate	(54)
Capitalised fees	90
CT relief transfer	(7)
Finance costs: Distributions	391

Details of the interim and final distributions per share are set out in the table on page 72.

7 Debtors

	30.04.13 £'000
Accrued Authorised Corporate Director's fee rebates	55
Accrued revenue	75
Amounts receivable for issue of shares	96
Income tax recoverable	4
Total debtors	230

8 Cash and bank balances

	30.04.13 £'000
Amounts held at futures clearing houses and brokers	450
Cash and bank balances	146
Total cash and bank balances	596

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000
Accrued Authorised Corporate Director's periodic charge	12
Accrued expenses	24
Amounts payable for cancellation of shares	52
Corporation tax payable	22
Deferred tax	14
Total creditors	124

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and earned the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
13,942	Old Mutual Global Futures Fund	134	-
4,484,645	Old Mutual Investment Funds - Global Equity Income Fund	2,500	10
581,999	Old Mutual Investment Funds – Gilt Fund	403	3
1,857,240	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	1,664	-
1,736,091	Old Mutual Investment Funds- Bond 2 Fund	816	5
252,506	Old Mutual Investment Funds- Global Asian Equity Fund	2,443	-
43,717	Old Mutual Local Currency Emerging Market Debt Fund	454	5
1,937,385	Old Mutual Multimanager Trust - Equity 1 Fund	1,501	4
5,280,670	Old Mutual Property Fund	1,934	29
1,978,946	Old Mutual Specialist Funds - Bond 1 Fund	897	12
1,200,642	Old Mutual Specialist Funds - Bond 3 Fund	539	14

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 56.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

a) Financial instrument risk (continued)

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

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 foreign currency exposure of the sub-fund as at 30 April 2013, was as follows:

Currency

	Net foreign currency assets/(liabilities)		
	Monetary exposures* 30.04.2013 £'000	Non-monetary exposures 30.04.2013 £'000	Total 30.04.2013 £'000
US Dollar	(42)	(52)	(94)
Total	(42)	(52)	(94)

*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 30 April 2013 was as follows:

Currency	Financial assets		Total £'000
	Fixed rate financial assets £'000	not carrying interest £'000	
30.04.13			
Euro	-	467	467
Sterling	596	27,271	27,867
US Dollar	-	852	852
Total	596	28,590	29,186

Currency	Financial liabilities		Total £'000
	Variable rate financial liabilities* £'000	not carrying interest £'000	
30.04.13			
Euro	-	(467)	(467)
Sterling	-	(555)	(555)
US Dollar	(42)	(904)	(946)
Total	(42)	(1,926)	(1,968)

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

d) 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.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 4:4 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 held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the fund and the benchmark as at 30/04/2013 was 4.25% and 6.48% respectively.

The minimum, average and maximum VaR of the fund over the year was 4.21%, 5.60% and 8.85%.

The absolute VaR limit of the sub-fund is limited to 20% of its Net Asset Value, based upon a 1 month holding period and a 99% confidence interval. This limit has not been exceeded over the period.

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 4:4 Fund are included on page 22 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 56.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 9 November 2012
 Group 2: Shares purchased from 9 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share
Generation 4:4 A Shares Inc Shares			
Group 1	0.7588	-	0.7588
Group 2	0.4622	0.2966	0.7588
Generation 4:4 R Shares Inc Shares			
Group 1	0.7796	-	0.7796
Group 2	0.6726	0.1070	0.7796

* 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.

Old Mutual Generation Target 4:6 Fund

Launch date	9 November 2012
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited Analytic Investors LLC
Net asset value	£27,035,793

Objective

The Old Mutual Generation Target 4:6 aims to achieve an annual return of 4% above the UK rate of inflation over rolling 7 year periods through a combination of the returns on income and capital by gaining exposure to a diversified range of asset classes. Out of this return, the fund aims to provide a regular income of 6% per annum.

Policy

The sub-fund will invest through collective investment schemes (up to 100% of the value of the Fund, including those that are managed or operated by the ACD or an associate of the ACD) in order to give exposure to a diversified portfolio of asset classes including, but not limited to, equities, fixed interest, property, commodities (only via collective investment schemes) and currency.

The sub-fund may also invest directly in transferable securities, derivative instruments and forward transactions (for the purposes of meeting the investment objective or efficient portfolio management), cash, near cash, warrants, money market instruments, and permitted deposits. The sub-fund may sell call options over securities or portfolios of securities or indices in order to generate additional income.

The sub-fund will reference the Consumer Prices Index for determining the UK rate of inflation.

The target returns on both capital and income are not guaranteed.

Performance record

Net asset value

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

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.13			
Generation 4:6 A Shares Inc	£1,397,644	2,630,384	53.13
Generation 4:6 R Shares Inc	£25,638,149	48,095,302	53.31

Comparative table

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

Calendar year	Highest price	Lowest price
2012*		
Generation 4:6 A Shares Inc	51.40	49.49
Generation 4:6 R Shares Inc	51.47	49.51
2013*		
Generation 4:6 A Shares Inc	54.89	51.28
Generation 4:6 R Shares Inc	55.00	51.35

* to 30 April

Income (Net Distributions)

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

Calendar year	Pence per share
2013*	
Generation 4:6 A Shares Inc	1.1284
Generation 4:6 R Shares Inc	1.1409

* ex dividend date of 30 April and payable on 28 June 2013

Investment Manager's review

The launch of Generation in mid-November 2012 coincided with investors' appetite for risk seeming to gain a more secure footing, illustrated by the return of the value theme in global equity markets and healthier liquidity levels. This proved a strong setting for Generation's income-focused objective.

The global economic background was one of slow improvement in the final months of 2012. Europe, however, was the exception, with much of the region mired in recession. Despite changes in leadership in China and Japan, plus the re-election of President Obama, the final months of 2012 were less volatile than earlier in the year, though nervousness about the US fiscal cliff prompted some jitters at the end of December.

Despite this global markets advanced, led by a decided preference for higher risk assets. This development proved a boon to Generation, which was positioned for just such a recovery in risk assets. Meanwhile, perceived quality 'safe' businesses languished.

In the New Year, financial markets continued to gain, and in America by the end of March the broad equity market, as represented by the S&P 500, moved above the previous all-time high that it had reached back in October of 2007. Yet the tone did not really feel like that of a typical bull market. Equities seemed to gain because investors regarded them as the least bad option. And while shares as a whole advanced, there was increasing differentiation in performance among the different sectors, driven by the same cautious dynamic.

The equities that outperformed were those of big established defensive companies seen as least sensitive to the economic environment, particularly the shares of businesses with large cash balances offering attractive dividends. This was good news for large blue chip companies, and at the country level the US. The best performers were those in industries like utilities, healthcare and consumer staples.

By contrast, cyclical stocks did poorly. For similar reasons emerging market (EM) stocks were another weak area. China was one of the notable soft spots. The strong performance seen in emerging market stocks in the fourth quarter carried over into January, but began to sell off in February and even more so in March amid new worries over China's economy and in Europe the new problems with Cyprus banks. Meanwhile, commodity stocks sold off over most of the period as unease about the global economy raised questions about the level of future demand for basic materials.

By the end of the review period, these market developments left US equities appearing rather expensive, but EM stocks looked good value. Global government bonds strengthened towards the end of the review interval, with yields declining amid renewed worries about the health of the world economy, plus new concerns over the single currency project after elections in Italy resulted in a hung parliament, and Cyprus became the latest Mediterranean member to become the epicentre of a banking crisis. By contrast, corporate credit, especially high yield, continued to advance in January. Interestingly, though they underperformed government bonds in the final months, they remained surprisingly resilient in real terms despite the increased risk aversion.

Generation's performance from its launch in mid November until the end of December was excellent. Asset allocation was positive, though this was entirely attributable to a strong showing in equities. Manager selection was also beneficial, with all the asset classes - equity, fixed income and alternatives - contributing to the positive effect.

Likewise, the first quarter of 2013 was a good period for the fund. January was beneficial for relative performance, while February was mixed, but March was poor. Fortunately, there were no big detractors among the sub funds, with value-focused managers modestly contributing to the portfolio's

performance in an environment that favoured value-oriented stocks. Among the asset classes overall, equities were easily the single strongest area of the portfolio in absolute and relative terms, although fixed income holdings were also positive and benefited returns. Manager selection was positive for performance in all areas except equities.

Within equities, the portfolio's holdings in the US and Europe achieved the biggest absolute returns. The holding in UK equities was the biggest relative contributor to performance. The focus on companies well positioned to excel in rising markets remained a significant factor in first quarter performance. Even though the US was one of the stronger performing markets in the first quarter, and manager selection was good, its contribution to Generation's overall performance was fairly modest due to the small size of the holding.

The holding in Japanese equities was also positive. Although the fund was only briefly overweight in Japan, the allocation was a strong absolute benefit for the fund. Japan's stocks continued to rally from the change in fiscal and monetary policy associated with a stimulus programme by the new Liberal Democrat government headed by Prime Minister Shinzo Abe.

While managing continued absolute gains, the European portion of the portfolio had a relatively modest positive impact on performance, partly due to the rather weak contribution from manager selection. European markets also lagged other outperforming regions such as the US and Japan, with investors troubled by on-going economic weakness and a new financial crisis in Cyprus.

Though the Asian holdings gained in real terms in the first quarter, the region's equities nevertheless lagged other areas and their contribution to performance was marginal. China's economic data was disappointing during the period, which hurt investor sentiment. The performance from the Asian managers was only slightly positive. Outside of Asia, Generation's emerging market (EM) equity exposures helped performance in January when risk appetite remained strong, but detracted in February and March with the return of investor caution. Commodity stocks underperformed over the whole of the quarter amid renewed worries about the prospects for the global economy. This was unhelpful for the exchanges of EM countries, on many of which are listed big exporters of basic materials to the West. Meanwhile, manager selection in this area was not productive.

All asset classes in fixed income benefited Generation's performance. Manager selection was strongly positive. Generation's holding in emerging market fixed income was the second-strongest contributor to performance, benefitting from successful manager selection. Investment grade corporate bonds underperformed in the first half of the period, but rallied in the second part of the quarter in response to increased investor jitters associated with the Cyprus banking crisis and the uncertain Italian election outcome. The portfolio's small holding of sovereigns had a negligible impact on performance.

The return for the property portion of the portfolio was only modestly positive in the first quarter, and its overall impact on the portfolio was again marginal.

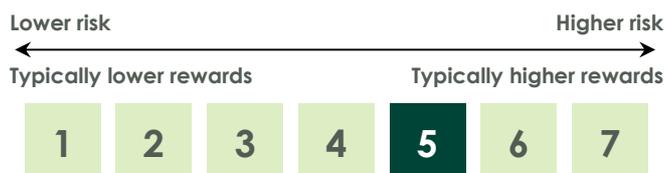
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

The growing variation in performance among different asset classes, which has become increasingly evident since late last year, is generally a favourable environment for a multi-asset portfolio like Generation, providing greater scope to enhance performance through stock selection. As far as the condition that companies are in, they continue to be in generally good financial shape, but with the global recovery remaining modest

there does not appear to be a catalyst for exceptionally strong outperformance in the near term. At present, investors seem fixated on a search for income and yield. Many appear willing to buy large, established, cash-rich defensive companies, even when their shares have begun to look fully priced. Valuations are being given less emphasis. As a result, some market segments look a bit out of kilter. Our view is that these conditions are not sustainable. While many investors seem intent on dividend stocks, for Generation we look for good value rather than just a good dividend regardless of the price.

We therefore seek to avoid investing in companies whose buy rationale looks fully priced in, even if this might limit short-term gains for the portfolio. Instead we are focusing on companies that have the potential to improve their business, and provide positive surprises – much of this theme is being employed in the Wellington sub-fund. The same theme is true for the portfolio's fixed income side, where DuPont was a favoured sub-portfolio as part of this approach. In emerging markets we are looking at local consumer focused businesses (for example in the Aubrey allocation in the Old Mutual Voyager Global Dynamic Equity Fund). In terms of changes within the portfolio, we allocated to Schroders in Asia, replacing First State from the Old Mutual Voyager Global Dynamic Equity Fund. The Schroders mandate is run by Robin Parbrook and will deliver a quality biased portfolio but with the pragmatism to move into more opportunistic investments as and when they arise.

Risk and Reward Profile



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

Sub-funds in category 5 have in the past shown moderately high volatility. With a fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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.

Asset allocation		Major holdings	Percentage of portfolio
Equities	56.81%	Old Mutual Investment Funds - Global Equity Income Fund	8.92%
Non-Equity Investment Instruments	23.93%	Old Mutual Investment Funds - Global Asian Equity Fund	8.72%
Bonds	14.18%	Montanaro Euro Smaller Equity Fund	8.29%
Gilts	1.44%	Schroder Income Fund	8.24%
Derivatives	(1.04)%	Liontrust Macro Equity Income Fund	7.19%
Net other assets	4.68%	Old Mutual Property Fund	6.90%
Total	100.00%	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	5.94%
Portfolio allocation		Old Mutual Multimanager Trust - Equity 1 Fund	5.36%
International Equities	36.02%	M&G Property Portfolio Fund	4.73%
Non-Equity Investment Instruments	23.93%	JP Morgan US Equity Income Fund	4.15%
UK Equities	20.79%		
International Bonds	8.07%	Number of holdings	28
UK Bonds	6.11%		
UK Gilts	1.44%	Ongoing charges figure (OCF)*	
Derivatives	(1.04)%	30.04.13 Generation 4:6 A Shares Inc	2.10%
Net other assets	4.68%	30.04.13 Generation 4:6 R Shares Inc	1.35%
Total	100.00%		

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 40.01%		
	Non-Equity Investment Instruments 11.63%		
125,874	M&G Property Portfolio Fund	1,278	4.73
5,093,603	Old Mutual Property Fund	1,866	6.90
		3,144	11.63
	UK Bonds 6.11%		
1,674,590	Old Mutual Investment Funds - Bond 2 Fund	787	2.91
1,908,842	Old Mutual Specialist Funds - Bond 1 Fund	865	3.20
		1,652	6.11
	UK Equities 20.79%		
1,121,747	CF Liontrust Macro Equity Income Fund	1,943	7.19
1,868,755	Old Mutual Multimanager Trust - Equity 1 Fund	1,448	5.36
236,057	Schroder Income Fund	2,228	8.24
		5,619	20.79
	UK Gilts 1.44%		
561,382	Old Mutual Specialist Funds - UK Gilt	389	1.44
		389	1.44
	United Kingdom Derivatives 0.04%		
	Sterling Denominated Open Forward Exchange Contract 0.04%		
£670,753	Sterling v United States dollar Forward Exchange Contract	5	0.02
£441,424	Sterling v Euro Forward Exchange Contract	4	0.01
£13,147	Sterling v Euro Forward Exchange Contract	0	0.00
£135,356	Sterling v United States dollar Forward Exchange Contract	2	0.01
		11	0.04
	Overseas 55.31%		
	International Bonds 8.07%		
2,641	JPMorgan Income Opportunity Plus Fund	189	0.70
433,623	M&G Investment Management - Optimal Income Sterling Fund	601	2.22
11,289	Nordea 1 European High Yield Bond Fund	241	0.89
42,168	Old Mutual Local Currency Emerging Market Debt Fund	438	1.62
1,158,110	Old Mutual Specialist Funds - Bond 3 Fund	520	1.93
1,825	Schroder GAIA Global Macro Bond Fund	192	0.71
		2,181	8.07
	International Equities 36.02%		
661,849	JPMorgan Funds - US Equity Income Fund	1,122	4.15
1,669,439	Montanaro Euro Smaller Equity Fund	2,242	8.29
243,561	Old Mutual Investment Funds - Global Asian Equity Fund	2,357	8.72
4,325,776	Old Mutual Investment Funds - Global Equity Income Fund	2,413	8.92
1,791,448	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	1,605	5.94
		9,739	36.02
	Non-Equity Investment Instruments 12.30%		
1,228	Fulcrum Alternative Beta Plus Fund	128	0.47
1,194	Fulcrum Commodity Fund	121	0.45
154,669	Goldman Sachs Strategic Commodities Fund	777	2.87
129,129	M&G Macro Episode Fund	129	0.48
7,762	Morgan Stanley Investment Funds - Diversified Apha Plus Fund	210	0.78
13,448	Old Mutual Global Futures Fund	129	0.48
19,783	Polar Capital Funds - European Market Neutral Fund	182	0.67
65,587	TG Investment Funds - TG RARE Infrastructure Fund	1,032	3.82
25,764	Threadneedle (Lux) - Enhanced Commodities Fund	618	2.28
		3,326	12.30
	Overseas Derivatives (1.08)%		
	US Dollar Denominated Open Forward Exchange Contracts 0.00%		
10,685	US Dollar v Sterling Forward Exchange Contract	0	0.00
12,035	US Dollar v Sterling Forward Exchange Contract	0	0.00
		0	0.00

Portfolio statement (continued)

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	US Dollar Denominated Option Contracts (1.08)%		
(1,950)	Call iShares MSCI Emerging Markets Index Option 18/05/2013	(232)	(0.86)
(431)	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	(70)	(0.26)
431	Call SPDR Dow Jones Industrial Average Trust Option 18/05/2013	11	0.04
		<u>(291)</u>	<u>(1.08)</u>
	Investment assets	25,770	95.32
	Net other assets	1,266	4.68
	Total net assets	27,036	100.00

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

	Note	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Income			
Net capital gains	2		1,695
Revenue	3	720	
Expenses	4	(90)	
Finance costs: Interest	6	(4)	
Net revenue before taxation		626	
Taxation	5	(84)	
Net revenue after taxation			542
Total return before distributions			2,237
Finance costs: Distributions	6		(573)
Change in net assets attributable to shareholders from investment activities			1,664

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

	09.11.12 to 30.04.13 £'000	09.11.12 to 30.04.13 £'000
Opening net assets attributable to shareholders		-
Amounts received on issue of shares	28,543	
Amounts paid on cancellation of shares	(3,170)	
		25,373
Stamp duty reserve tax		(1)
Change in net assets attributable to shareholders from investment activities		1,664
Closing net assets attributable to shareholders		27,036

The notes on pages 81 to 87 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Note	30.04.13 £'000	30.04.13 £'000
Assets			
Investment assets			26,072
Debtors	7	225	
Cash and bank balances	8	1,952	
Total other assets			2,177
Total assets			28,249
Liabilities			
Investment liabilities			(302)
Creditors	9	(172)	
Bank overdrafts		(161)	
Distribution payable on income shares		(578)	
Total other liabilities			(911)
Total liabilities			(1,213)
Net assets attributable to shareholders			27,036

The notes on pages 81 to 87 form an integral part of these statements.

Notes to the financial statements

For the period from 9 November 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Generation Target 4:6 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains

The net capital gains on investments comprise:

	09.11.12 to 30.04.13 £'000
Gains on non-derivative securities	2,218
Losses on currency contracts	(11)
Losses on derivative contracts	(463)
Losses on forward currency contracts	(48)
Handling charges	(1)
Net capital gains	1,695

3 Revenue

	09.11.12 to 30.04.13 £'000
Authorised Corporate Director's fee rebate	45
Authorised Corporate Director's capitalised fee rebate	52
Bank and term deposit interest	1
Derivative income	329
Franked distributions on Collective Investment Schemes	183
Non-taxable distributions from offshore funds	22
Taxable distributions on offshore funds	5
Unfranked distributions on Collective Investment Schemes	83
Total revenue	720

Notes to the financial statements (continued)

4 Expenses

	09.11.12 to 30.04.13 £'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	63
	63
Payable to the Depositary, associates of the Depositary, and agents of either of them:	
Depositary's fees	1
Safe custody fees	1
	2
Other expenses:	
Administration fees	7
Audit fees *	7
Investment adviser fees	1
Risk & compliance monitoring fees	10
	25
Total expenses	90

* The Audit fee for the year, excluding VAT, was £5,500.

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

	09.11.12 to 30.04.13 £'000
Corporation tax suffered	71
Total current tax charge for the period (see note 5(b))	71
Deferred tax charge for the period	13
Deferred tax charge for the period (see note 5(c))	13
Total taxation for the period	84

b) Factors affecting current tax charge for the period

	09.11.12 to 30.04.13 £'000
The taxation assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:	
Net revenue before taxation	626
Corporation tax at 20% (30 April 2012: 20%)	125
Effects of:	
Franked investment revenue at 20%	(37)
Movement in revenue accruals taxable on receipt	(13)
Non-taxable overseas dividends	(4)
Total current tax charge for the period (see note 5 (a))	71

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

c) Movement in deferred tax

	09.11.12 to 30.04.13 £'000
Deferred tax at the start of the period	-
Deferred tax charge for the period (see note 5(a))	13
Deferred tax at the end of the period	13

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:

	09.11.12 to 30.04.13 £'000
Final (30 April)	578
Revenue deducted on cancellation of shares	578
Revenue received on issue of shares	17
	(22)
Finance costs: Distributions	573
Finance costs: Interest	4
Total finance costs	577
Reconciliation of distributions:	
Net revenue after taxation	542
ACD capitalised fee rebate	(52)
Capitalised fees	90
CT relief transfer	(7)
Finance costs: Distributions	573

Details of the interim and final distributions per share are set out in the table on page 88.

7 Debtors

	30.04.13 £'000
Accrued Authorised Corporate Director's fee rebates	52
Accrued revenue	98
Amounts receivable for issue of shares	68
Income tax recoverable	7
Total debtors	225

8 Cash and bank balances

	30.04.13 £'000
Amounts held at futures clearing houses and brokers	1,793
Cash and bank balances	159
Total cash and bank balances	1,952

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000
Accrued Authorised Corporate Director's periodic charge	12
Accrued Investment Advisor's fees	1
Accrued expenses	25
Amounts payable for cancellation of shares	51
Corporation tax payable	70
Deferred tax	13
Total creditors	172

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
13,448	Old Mutual Global Futures Fund	129	-
4,325,776	Old Mutual Investment Funds - Global Equity Income Fund	2,412	10
561,382	Old Mutual Investment Funds - UK Gilt	389	3
1,791,447	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	1,605	-
1,674,590	Old Mutual Investment Funds- Bond 2 Fund	787	5
243,561	Old Mutual Investment Funds- Global Asian Equity Fund	2,357	-
42,169	Old Mutual Local Currency Emerging Market Debt Fund	438	5
1,868,755	Old Mutual Multimanager Trust - Equity 1 Fund	1,448	4
5,093,604	Old Mutual Property Fund	1,866	28
1,908,841	Old Mutual Specialist Funds - Bond 1 Fund	865	11
1,158,110	Old Mutual Specialist Funds - Bond 3 Fund	520	13

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 73.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

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 foreign currency exposure of the sub-fund as at 30 April 2013, was as follows:

Currency	Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total
	30.04.2013 £'000	30.04.2013 £'000	30.04.2013 £'000
US Dollar	(161)	(272)	(433)
Total	(161)	(272)	(433)

*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 30 April 2013 (30 April 2012) was as follows:

Currency	Fixed rate	Financial assets	Total
	financial assets	not carrying interest	
30.04.13	£'000	£'000	£'000
Euro	-	450	450
Sterling	1,952	26,303	28,255
US Dollar	-	830	830
Total	1,952	27,583	29,535

Currency	Variable rate	Financial	Total
	financial liabilities*	liabilities not carrying interest	
30.04.13	£'000	£'000	£'000
Euro	-	(450)	(450)
Sterling	-	(786)	(786)
US Dollar	(161)	(1,102)	(1,263)
Total	(161)	(2,338)	(2,499)

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

d) 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.

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 4:6 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 held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the sub-fund as at 30 April 2013 was 4.47%.

The minimum, average and maximum VaR of the sub-fund over the year was 3.51%, 5.35% and 8.59%.

The absolute VaR limit of the sub-fund is limited to 20% of its Net Asset Value, based upon a 1 month holding period and a 99% confidence interval. This limit has not been exceeded over the period.

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 4:6 Fund are included on page 22 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 73.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 9 November 2012
 Group 2: Shares purchased from 9 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share
Generation 4:6 A Shares Inc Shares			
Group 1	1.1284	-	1.1284
Group 2	0.3871	0.7413	1.1284
Generation 4:6 R Shares Inc Shares			
Group 1	1.1409	-	1.1409
Group 2	0.9688	0.1721	1.1409

* 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.

Old Mutual Spectrum 3 Fund

Launch date	28 April 2008
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£334,188,172

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is defensive with a significant majority of investments in defensive asset classes, and between 15% and 40% in equities.

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of cash, money market instruments, international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 25 February 2013 at 62.82p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.11 Accumulation 'A'	£163,336,323	293,043,650	55.74
30.04.12 Accumulation 'A'	£237,626,636	416,021,611	57.12
30.04.13 Accumulation 'A'	£333,249,806	520,290,494	64.05
Accumulation 'R'	£938,366	1,464,603	64.07

Comparative table

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

Calendar year	Highest price	Lowest price
2008*		
Accumulation 'A'	50.78	41.84
2009		
Accumulation 'A'	50.46	40.80
2010		
Accumulation 'A'	55.45	49.89
2011		
Accumulation 'A'	56.69	53.00
2012		
Accumulation 'A'	61.43	55.54
2013**		
Accumulation 'A'	64.50	61.49
Accumulation 'R'***	64.57	62.82

* from 28 April 2008

** to 30 April 2013

*** from 25 February 2013

Income (Net Accumulations)

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

Calendar year	Pence per share
2008*	
Accumulation 'A'	0.3980
2009	
Accumulation 'A'	1.2983
2010	
Accumulation 'A'	1.3552
2011	
Accumulation 'A'	1.3662
2012	
Accumulation 'A'	1.3878
2013**	
Accumulation 'A'	0.6950
Accumulation 'R'***	0.7146

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** From 25 February 2013

Investment Manager's review

During the reporting period, there was some variance between the Spectrum funds with a lower risk profile and those with a higher proportion of risk in their holdings. The more defensive funds achieved the strongest performances, although all of the funds ended to varying degrees ahead of benchmark, and with solid gains.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts were modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. The holdings in alternative assets by contrast detracted from returns.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance, but these make up a relatively smaller proportion of the lower-risk Spectrum funds. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval do not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



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

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

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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

Capital erosion risk - the sub-fund takes 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.

Asset allocation

Bonds	42.46%
Equities	27.65%
Property	14.68%
Gilts	10.60%
Net other assets	4.61%

Total **100.00%**

Portfolio allocation

UK Bonds	26.12%
Global Equities	20.00%
UK Property	14.68%
Overseas Bonds	13.44%
UK Gilts	10.60%
UK Equities	7.65%
Global Emerging Markets Bonds	2.90%

Net other assets 4.61%

Total **100.00%**

Major holdings

Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	12.57%
Old Mutual Specialist Funds - Bond 1 Fund	12.02%
Old Mutual Specialist Funds - Bond 2 Fund	10.95%
Old Mutual Specialist Funds - Gilt Fund	10.60%
M&G Property Portfolio Fund	10.31%
Old Mutual Specialist Funds - Bond 3 Fund	6.34%
Wellington Management Global Credit Plus Fund	5.26%
Old Mutual Property Fund	4.37%
Fidelity Moneybuilder Income Fund	3.15%
Old Mutual Local Currency Emerging Market Debt Fund	2.90%

Number of holdings **23**

Ongoing charges figure (OCF)*

30.04.13 Accumulation 'A'	1.83%
30.04.13 Accumulation 'R'	1.08%

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 59.05% (30 April 2012 64.09%)		
	UK Bonds 26.12% (30 April 2012 26.24%)		
29,733,777	Fidelity Moneybuilder Income Fund	10,529	3.15
88,625,702	Old Mutual Specialist Funds - Bond 1 Fund	40,165	12.02
46,528,113	Old Mutual Specialist Funds - Bond 2 Fund	36,604	10.95
		87,298	26.12
	UK Equities 7.65% (30 April 2012 10.22%)		
1,071,605	Artemis UK Growth Fund	3,866	1.16
8,289,968	Old Mutual Multifanager Trust - Equity 1 Fund	6,422	1.92
6,715,525	Old Mutual Multifanager Trust - Equity 2 Fund	7,656	2.29
6,953,456	Old Mutual Multifanager Trust - UK Alpha Fund	7,628	2.28
		25,572	7.65
	UK Gilts 10.60% (30 April 2012 13.24%)		
47,288,763	Old Mutual Specialist Funds - Gilt Fund	35,438	10.60
		35,438	10.60
	UK Property 14.68% (30 April 2012 14.39%)		
3,391,141	M&G Property Portfolio Fund	34,428	10.31
30,258,561	Old Mutual Property Fund	14,615	4.37
		49,043	14.68
	Overseas 36.34% (30 April 2012 34.17%)		
	Global Emerging Markets Bonds 2.90% (30 April 2012 3.02%)		
931,235	Old Mutual Local Currency Emerging Market Debt Fund	9,677	2.90
		9,677	2.90
	Global Equities 20.00% (30 April 2012 18.40%)		
2,152,135	BlackRock Continental European Equity Tracker Fund	3,270	0.98
1,752,859	BlackRock Japan Equity Tracker Fund	2,359	0.71
2,058,388	BlackRock North American Equity Tracker Fund	3,389	1.01
540,875	BlackRock Pacific ex Japan Equity Tracker Fund	1,207	0.36
286,163	Dimensional Emerging Markets Target Value Fund	4,696	1.41
29,619	Fulcrum Alternative Beta Plus Fund	3,095	0.93
164,514	Old Mutual Global Futures Fund	1,581	0.47
6,579,862	Old Mutual Investment Funds - Global Best Ideas Fund	5,222	1.56
46,904,949	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	42,018	12.57
		66,837	20.00
	Overseas Bonds 13.44% (30 April 2012 12.75%)		
61,648	Mirabaud Convertible Bond Fund	6,153	1.84
47,238,569	Old Mutual Specialist Funds - Bond 3 Fund	21,201	6.34
1,647,614	Wellington Management Global Credit Plus Fund	17,564	5.26
		44,918	13.44
	Investment assets	318,783	95.39
	Net other assets	15,405	4.61
	Total net assets	334,188	100.00

Statement of total return

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
	Notes				
Income					
Net capital gains/(losses)	2		25,803		(29)
Revenue	3	12,892		9,121	
Expenses	4	(3,784)		(2,611)	
Finance costs: Interest	6	(3)		-	
Net revenue before taxation		9,105		6,510	
Taxation	5	(1,564)		(1,167)	
Net revenue after taxation			7,541		5,343
Total return before distributions			33,344		5,314
Finance costs: Distributions	6		(6,745)		(4,752)
Change in net assets attributable to shareholders from investment activities			26,599		562

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Opening net assets attributable to shareholders			237,627		163,336
Amounts received on issue of shares		73,760		76,530	
Amounts paid on cancellation of shares		(10,752)		(7,893)	
Stamp duty reserve tax			63,008		68,637
			(71)		(73)
Change in net assets attributable to shareholders from investment activities			26,599		562
Retained distribution on accumulation shares			7,025		5,165
Closing net assets attributable to shareholders			334,188		237,627

The notes on pages 95 to 102 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			318,783		233,488
Debtors	7	3,933		3,350	
Cash and bank balances	8	13,597		5,092	
Total other assets			17,530		8,442
Total assets			336,313		241,930
Liabilities					
Creditors	9	(2,125)		(4,303)	
Total other liabilities			(2,125)		(4,303)
Total liabilities			(2,125)		(4,303)
Net assets attributable to shareholders			334,188		237,627

The notes on pages 95 to 102 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 3 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
25,811	(18)
1	-
(9)	(11)
25,803	(29)

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
962	651
995	739
7	5
1,231	636
50	39
2	-
1,008	853
8,637	6,198
12,892	9,121

Notes to the financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	3,557	2,418
	<u>3,557</u>	<u>2,418</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	36	25
Safe custody fees	17	7
	<u>53</u>	<u>32</u>
Other expenses:		
Administration fees	127	145
Audit fees *	7	6
Financial consultancy fees	8	10
Legal fees	8	-
Professional fees	8	-
Risk & compliance monitoring fees	16	-
	<u>174</u>	<u>161</u>
Total expenses	<u>3,784</u>	<u>2,611</u>

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	1,322	1,150
Total current tax charge for the year (see note 5(b))	1,322	1,150
Deferred tax charge for the year	242	17
Deferred tax charge for the year (see note 5(c))	242	17
Total taxation for the year	1,564	1,167

b) Factors affecting current tax charge for the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	9,105	6,510
Corporation tax at 20% (30 April 2012: 20%)	1,821	1,302
Effects of:		
Franked investment revenue at 20%	(247)	(127)
Movement in revenue accruals taxable on receipt	(242)	(17)
Non-taxable overseas dividends	(10)	(8)
Total current tax charge for the year (see note 5 (a))	1,322	1,150

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

c) Movement in deferred tax

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Deferred tax at the start of the year	89	72
Deferred tax charge for the year (see note 5(a))	242	17
Deferred tax at the end of the year	331	89

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:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	3,399	2,373
Final (30 April)	3,626	2,792
	<u>7,025</u>	<u>5,165</u>
Revenue deducted on cancellation of shares	70	52
Revenue received on issue of shares	(350)	(465)
Finance costs: Distributions	6,745	4,752
Finance costs: Interest	3	-
Total finance costs	6,748	4,752
Reconciliation of distributions:		
Net revenue after taxation	7,541	5,343
Authorised Corporate Director's capitalised fee rebates	(995)	(739)
Tax charge on income taken to capital	199	148
Finance costs: Distributions	6,745	4,752

Details of the interim and final distributions per share are set out in the table on page 103.

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	338	146
Accrued revenue	1,348	1,076
Amounts receivable for issue of shares	1,138	2,128
Income tax recoverable	112	-
Sales awaiting settlement	997	-
Total debtors	3,933	3,350

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Cash and bank balances	13,597	5,092
Total cash and bank balances	13,597	5,092

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	339	239
Accrued Depositary's fees	4	-
Accrued expenses	108	36
Amounts payable for cancellation of shares	23	311
Corporation tax payable	323	442
Deferred tax	331	89
Purchases awaiting settlement	997	3,186
Total creditors	2,125	4,303

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
164,514	Old Mutual Global Futures Fund	1,581	-
6,579,862	Old Mutual Investment Funds - Global Best Ideas Fund	5,222	-
46,904,949	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	42,018	92
-	Old Mutual Investment Grade Corporate Bond Fund	-	427
931,235	Old Mutual Local Currency Emerging Market Debt Fund	9,677	488
8,289,968	Old Mutual Multimanager Trust - Equity 1 Fund	6,422	67
6,715,525	Old Mutual Multimanager Trust - Equity 2 Fund	7,656	179
6,953,456	Old Mutual Multimanager Trust - UK Alpha Fund	7,628	148
30,258,561	Old Mutual Property Fund	14,615	480
88,625,702	Old Mutual Specialist Funds - Bond 1 Fund	40,165	2,122
46,528,113	Old Mutual Specialist Funds - Bond 2 Fund	36,604	1,480
47,238,569	Old Mutual Specialist Funds - Bond 3 Fund	21,201	1,887
47,288,763	Old Mutual Specialist Funds - Gilt Fund	35,438	988
-	Old Mutual UK Equity Fund	-	37
-	Skandia UK Best Ideas Fund	-	1

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 89.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

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 30 April 2013 (30 April 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.13				
Sterling	13,597	-	322,716	336,313
Total	13,597		322,716	336,313

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.12				
Sterling	5,076	-	236,838	241,914
US Dollar	16	-	-	16
Total	5,092		236,838	241,930

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.13			
Sterling	-	(2,125)	(2,125)
Total		(2,125)	(2,125)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.12			
Sterling	-	(4,303)	(4,303)
Total		(4,303)	(4,303)

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

d) 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.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented

f) Liquidity risk

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

g) Market risk

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

12 Commitments, contingent liabilities and contingent assets

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

Notes to the financial statements (continued)

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 3 are included on page 22 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 89.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share	Distribution paid 30.06.12 pence per share
Accumulation 'A' Shares				
Group 1	0.6950	-	0.6950	0.6711
Group 2	0.3887	0.3063	0.6950	0.6711
Accumulation 'R' Shares				
Group 1	0.7146	-	0.7146	-
Group 2	0.0635	0.6511	0.7146	-

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.12 pence per share	Distribution paid 31.12.11 pence per share
Accumulation 'A' Shares				
Group 1	0.7167	-	0.7167	0.6887
Group 2	0.4138	0.3029	0.7167	0.6887

* 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.

Old Mutual Spectrum 4 Fund

Launch date	28 April 2008
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£455,573,200

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is defensive with a significant majority of investments in defensive asset classes, and between 25% and 50% in equities.

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of cash, money market instruments, international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 19 February 2013 at 62.12p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.11 Accumulation 'A'	£228,218,051	409,616,464	55.72
30.04.12 Accumulation 'A'	£315,096,435	559,611,785	56.31
30.04.13 Accumulation 'A'	£454,737,359	715,655,298	63.54
Accumulation 'R'	£835,841	1,314,957	63.56

Comparative table

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

Calendar year	Highest price	Lowest price
2008*		
Accumulation 'A'	50.94	40.24
2009		
Accumulation 'A'	49.86	39.13
2010		
Accumulation 'A'	55.42	48.91
2011		
Accumulation 'A'	56.73	51.68
2012		
Accumulation 'A'	60.50	54.50
2013**		
Accumulation 'A'	64.01	60.62
Accumulation 'R'***	64.09	62.12

* from 28 April 2008

** to 30 April 2013

*** from 19 February 2013

Income (Net Accumulations)

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

Calendar year	Pence per share
2008*	
Accumulation 'A'	0.5013
2009	
Accumulation 'A'	1.1714
2010	
Accumulation 'A'	1.2007
2011	
Accumulation 'A'	1.1998
2012	
Accumulation 'A'	1.2178
2013**	
Accumulation 'A'	0.5957
Accumulation 'R'***	0.6149

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** from 19 February 2013

Investment Manager's review

During the reporting period, there was some variance between the Spectrum funds with a lower risk profile and those with a higher proportion of risk in their holdings. The more defensive funds achieved the strongest performances, although all of the funds ended to varying degrees ahead of benchmark, and with solid gains.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts were modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. The holdings in alternative assets by contrast detracted from returns.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

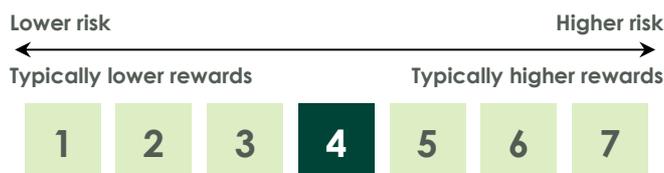
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance, but these make up a relatively smaller proportion of the lower-risk Spectrum funds. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval do not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



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

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

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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

Capital erosion risk - the sub-fund takes 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 statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 54.88% (30 April 2012 60.81%)		
	UK Bonds 20.50% (30 April 2012 21.02%)		
31,079,641	Fidelity Moneybuilder Income Fund	11,005	2.42
97,613,350	Old Mutual Specialist Funds - Bond 1 Fund	44,238	9.71
48,478,949	Old Mutual Specialist Funds - Bond 2 Fund	38,138	8.37
		93,381	20.50
	UK Equities 10.98% (30 April 2012 14.71%)		
2,087,007	Artemis UK Growth Fund	7,529	1.65
16,238,474	Old Mutual Multimanager Trust - Equity 1 Fund	12,580	2.76
13,149,334	Old Mutual Multimanager Trust - Equity 2 Fund	14,990	3.29
13,620,063	Old Mutual Multimanager Trust - UK Alpha Fund	14,941	3.28
		50,040	10.98
	UK Gilts 8.79% (30 April 2012 10.70%)		
53,438,475	Old Mutual Specialist Funds - Gilt Fund	40,047	8.79
		40,047	8.79
	UK Property 14.61% (30 April 2012 14.38%)		
4,586,417	M&G Property Portfolio Fund	46,563	10.22
41,370,492	Old Mutual Property Fund	19,982	4.39
		66,545	14.61
	Overseas 40.62% (30 April 2012 37.69%)		
	Global Emerging Markets Bonds 2.32% (30 April 2012 2.40%)		
1,017,473	Old Mutual Local Currency Emerging Market Debt Fund	10,573	2.32
		10,573	2.32
	Global Equities 27.28% (30 April 2012 25.05%)		
3,995,410	BlackRock Continental European Equity Tracker Fund	6,071	1.33
3,158,245	BlackRock Japan Equity Tracker Fund	4,251	0.93
4,026,154	BlackRock North American Equity Tracker Fund	6,629	1.46
1,161,856	BlackRock Pacific ex Japan Equity Tracker Fund	2,593	0.57
513,927	Dimensional Emerging Markets Target Value Fund	8,434	1.85
56,052	Fulcrum Alternative Beta Plus Fund	5,857	1.29
309,468	Old Mutual Global Futures Fund	2,974	0.65
11,990,807	Old Mutual Investment Funds - Global Best Ideas Fund	9,517	2.09
87,008,772	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	77,943	17.11
		124,269	27.28
	Overseas Bonds 11.02% (30 April 2012 10.24%)		
67,356	Mirabaud Convertible Bond Fund	6,723	1.48
53,982,546	Old Mutual Specialist Funds - Bond 3 Fund	24,227	5.31
1,805,949	Wellington Management Global Credit Plus Fund	19,252	4.23
		50,202	11.02
	Investment assets	435,057	95.50
	Net other assets	20,516	4.50
	Total net assets	455,573	100.00

Statement of total return

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Income					
Net capital gains/(losses)	2		37,571		(3,097)
Revenue	3	15,427		11,474	
Expenses	4	(4,919)		(3,562)	
Finance costs: Interest	6	(5)		-	
Net revenue before taxation		10,503		7,912	
Taxation	5	(1,672)		(1,317)	
Net revenue after taxation			8,831		6,595
Total return before distributions			46,402		3,498
Finance costs: Distributions	6		(7,887)		(5,837)
Change in net assets attributable to shareholders from investment activities			38,515		(2,339)

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Opening net assets attributable to shareholders			315,096		228,218
Amounts received on issue of shares		101,625		93,449	
Amounts paid on cancellation of shares		(7,819)		(10,387)	
Stamp duty reserve tax			93,806		83,062
Change in net assets attributable to shareholders from investment activities			(78)		(94)
Retained distribution on accumulation shares			38,515		(2,339)
			8,234		6,249
Closing net assets attributable to shareholders			455,573		315,096

The notes on pages 110 to 117 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			435,057		310,378
Debtors	7	4,931		4,532	
Cash and bank balances	8	18,269		5,235	
Total other assets			23,200		9,767
Total assets			458,257		320,145
Liabilities					
Creditors	9	(2,684)		(5,049)	
Total other liabilities			(2,684)		(5,049)
Total liabilities			(2,684)		(5,049)
Net assets attributable to shareholders			455,573		315,096

The notes on pages 110 to 117 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 4 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
	37,578	(3,087)
	1	1
	(8)	(11)
	37,571	(3,097)

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
	1,521	1,107
	1,179	948
	11	7
	2,055	1,254
	90	74
	1,062	932
	9,509	7,152
	15,427	11,474

Notes to the financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	4,660	3,334
	<u>4,660</u>	<u>3,334</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	47	35
Safe custody fees	18	9
	<u>65</u>	<u>44</u>
Other expenses:		
Administration fees	144	168
Audit fees *	7	6
Financial consultancy fees	8	10
Legal fees	11	-
Professional fees	8	-
Risk & compliance monitoring fees	16	-
	<u>194</u>	<u>184</u>
Total expenses	<u>4,919</u>	<u>3,562</u>

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	1,402	1,292
Total current tax charge for the year (see note 5(b))	1,402	1,292
Deferred tax charge for the year	270	25
Deferred tax charge for the year (see note 5(c))	270	25
Total taxation for the year	1,672	1,317

b) Factors affecting current tax charge for the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	10,503	7,912
Corporation tax at 20% (30 April 2012: 20%)	2,101	1,582
Effects of:		
Franked investment revenue at 20%	(428)	(251)
Movement in revenue accruals taxable on receipt	(270)	(24)
Non-taxable overseas dividends	(1)	(15)
Total current tax charge for the year (see note 5 (a))	1,402	1,292

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

c) Movement in deferred tax

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Deferred tax at the start of the year	123	98
Deferred tax charge for the year (see note 5(a))	270	25
Deferred tax at the end of the year	393	123

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:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	3,963	3,047
Final (30 April)	4,271	3,202
	<u>8,234</u>	<u>6,249</u>
Revenue deducted on cancellation of shares	39	47
Revenue received on issue of shares	(386)	(459)
Finance costs: Distributions	7,887	5,837
Finance costs: Interest	5	-
Total finance costs	7,892	5,837
Reconciliation of distributions:		
Net revenue after taxation	8,831	6,595
Authorised Corporate Director's capitalised fee rebates	(1,179)	(948)
Tax charge on income taken to capital	235	190
Finance costs: Distributions	7,887	5,837

Details of the interim and final distributions per share are set out in the table on page 118.

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	482	203
Accrued revenue	1,393	1,172
Amounts receivable for issue of shares	1,544	2,382
Income tax recoverable	149	775
Sales awaiting settlement	1,363	-
Total debtors	4,931	4,532

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Cash and bank balances	18,269	5,235
Total cash and bank balances	18,269	5,235

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	474	319
Accrued Depository's fees	5	-
Accrued expenses	114	40
Amounts payable for cancellation of shares	46	-
Corporation tax payable	289	1,216
Deferred tax	393	123
Purchases awaiting settlement	1,363	3,351
Total creditors	2,684	5,049

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
309,468	Old Mutual Global Futures Fund	2,974	-
11,990,807	Old Mutual Investment Funds - Global Best Ideas Fund	9,517	-
87,008,772	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	77,943	164
-	Old Mutual Investment Grade Corporate Bond Fund	-	458
1,017,473	Old Mutual Local Currency Emerging Market Debt Fund	10,573	503
16,238,474	Old Mutual Multimanager Trust - Equity 1 Fund	12,580	126
13,149,334	Old Mutual Multimanager Trust - Equity 2 Fund	14,990	348
13,620,063	Old Mutual Multimanager Trust - UK Alpha Fund	14,941	276
41,370,492	Old Mutual Property Fund	19,982	706
97,613,350	Old Mutual Specialist Funds - Bond 1 Fund	44,238	2,231
48,478,949	Old Mutual Specialist Funds - Bond 2 Fund	38,138	1,552
53,982,546	Old Mutual Specialist Funds - Bond 3 Fund	24,227	1,988
53,438,475	Old Mutual Specialist Funds - Gilt Fund	40,047	1,048
-	Old Mutual UK Equity Fund	-	68
-	Skandia UK Best Ideas Fund	-	3

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 104.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

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 30 April 2013 (30 April 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.13				
Sterling	18,269	-	439,988	458,257
Total	18,269	-	439,988	458,257

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.12				
Sterling	5,203	-	314,910	320,113
US Dollar	32	-	-	32
Total	5,235	-	314,910	320,145

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.13			
Sterling	-	(2,684)	(2,684)
Total	-	(2,684)	(2,684)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.12			
Sterling	-	(5,049)	(5,049)
Total	-	(5,049)	(5,049)

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

d) 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.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 4 are included on page 22 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 104.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share	Distribution paid 30.06.12 pence per share
Accumulation 'A' Shares				
Group 1	0.5957	-	0.5957	0.5722
Group 2	0.3724	0.2233	0.5957	0.5722
Accumulation 'R' Shares				
Group 1	0.6149	-	0.6149	-
Group 2	0.0227	0.5922	0.6149	-

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.12 pence per share	Distribution paid 31.12.11 pence per share
Accumulation 'A' Shares				
Group 1	0.6456	-	0.6456	0.6236
Group 2	0.3617	0.2839	0.6456	0.6236

* 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.

Old Mutual Spectrum 5 Fund

Launch date	28 April 2008
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£502,619,269

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is broadly balanced, with between 40% to 60% in vested in equities and the remainder in more defensive asset classes.

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of cash, money market instruments, international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 18 February 2013 at 61.78p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.11 Accumulation 'A'	£297,250,582	531,774,769	55.90
30.04.12 Accumulation 'A'	£373,252,100	670,145,232	55.70
30.04.13 Accumulation 'A'	£500,905,848	792,101,890	63.24
Accumulation 'R'	£1,713,421	2,707,987	63.27

Comparative table

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

Calendar year	Highest price	Lowest price
2008*		
Accumulation 'A'	51.14	39.01
2009		
Accumulation 'A'	49.60	37.64
2010		
Accumulation 'A'	55.64	48.29
2011		
Accumulation 'A'	57.00	50.59
2012		
Accumulation 'A'	59.75	53.71
2013**		
Accumulation 'A'	63.86	59.94
Accumulation 'R'***	63.88	61.78

* from 28 April 2008

** to 30 April 2013

*** from 18 February 2013

Income (Net Accumulations)

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

Calendar year	Pence per share
2008*	
Accumulation 'A'	0.5165
2009	
Accumulation 'A'	1.0746
2010	
Accumulation 'A'	1.0636
2011	
Accumulation 'A'	1.0547
2012	
Accumulation 'A'	1.0700
2013**	
Accumulation 'A'	0.4999
Accumulation 'R'***	0.5326

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** From 18 February 2013

Investment Manager's review

The performance for these funds also ended the review year ahead of the benchmark, with positive absolute gains, though with a relatively higher level of risk, not as markedly as the funds holding less risk.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts was modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. But the holdings in alternative assets detracted.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

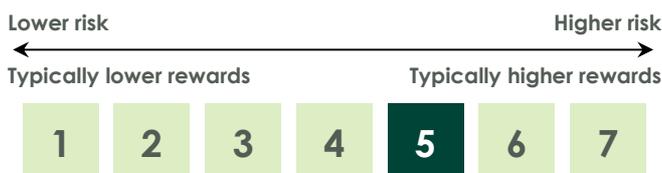
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance. The relatively larger holdings in these assets in the Spectrum funds with higher risk profiles were thus a greater hindrance to their performance. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval did not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month, but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



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

Funds in category 5 have in the past shown moderately high volatility. With a fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject the collective risks of these other funds.

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

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

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

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

Asset allocation		Major holdings		Percentage of portfolio
Equities	48.12%	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund		21.14%
Bonds	26.06%	M&G Property Portfolio Fund		9.03%
Property	14.59%	Old Mutual Specialist Funds - Bond 1 Fund		7.38%
Gilts	6.43%	Old Mutual Specialist Funds - Bond 2 Fund		6.59%
		Old Mutual Specialist Funds - Gilt Fund		6.43%
		Old Mutual Property Fund		5.56%
Net other assets	4.80%	Old Mutual Multifanager Trust - Equity 2 Fund		4.24%
		Old Mutual Multifanager Trust - UK Alpha Fund		4.23%
Total	100.00%	Old Mutual Specialist Funds - Bond 3 Fund		4.01%
		Old Mutual Multifanager Trust - Equity 1 Fund		3.56%
Portfolio allocation				
Global Equities	33.96%	Number of holdings		23
UK Bonds	15.88%			
UK Property	14.59%	Ongoing charges figure (OCF)*		
UK Equities	14.16%	30.04.13 Accumulation 'A'		1.87%
Overseas Bonds	8.37%	30.04.13 Accumulation 'R'		1.12%
UK Gilts	6.43%			
Global Emerging Markets Bonds	1.81%			
Net other assets	4.80%			
Total	100.00%			

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
United Kingdom 51.06% (30 April 2012 57.32%)			
UK Bonds 15.88% (30 April 2012 16.04%)			
27,083,816	Fidelity Moneybuilder Income Fund	9,590	1.91
81,848,733	Old Mutual Specialist Funds - Bond 1 Fund	37,094	7.38
42,109,886	Old Mutual Specialist Funds - Bond 2 Fund	33,128	6.59
		79,812	15.88
UK Equities 14.16% (30 April 2012 19.08%)			
2,967,011	Artemis UK Growth Fund	10,703	2.13
23,101,297	Old Mutual Multimanager Trust - Equity 1 Fund	17,896	3.56
18,714,561	Old Mutual Multimanager Trust - Equity 2 Fund	21,335	4.24
19,378,033	Old Mutual Multimanager Trust - UK Alpha Fund	21,258	4.23
		71,192	14.16
UK Gilts 6.43% (30 April 2012 8.14%)			
43,137,299	Old Mutual Specialist Funds - Gilt Fund	32,327	6.43
		32,327	6.43
UK Property 14.59% (30 April 2012 14.06%)			
4,469,589	M&G Property Portfolio Fund	45,377	9.03
57,892,973	Old Mutual Property Fund	27,962	5.56
		73,339	14.59
Overseas 44.14% (30 April 2012 41.09%)			
Global Emerging Markets Bonds 1.81% (30 April 2012 1.87%)			
875,565	Old Mutual Local Currency Emerging Market Debt Fund	9,098	1.81
		9,098	1.81
Global Equities 33.96% (30 April 2012 31.44%)			
5,922,408	BlackRock Continental European Equity Tracker Fund	8,999	1.79
4,333,863	BlackRock Japan Equity Tracker Fund	5,833	1.16
5,633,796	BlackRock North American Equity Tracker Fund	9,276	1.85
1,716,932	BlackRock Pacific ex Japan Equity Tracker Fund	3,832	0.76
705,106	Dimensional Emerging Markets Target Value Fund	11,571	2.30
75,697	Fulcrum Alternative Beta Plus Fund	7,910	1.57
420,026	Old Mutual Global Futures Fund	4,037	0.80
16,337,153	Old Mutual Investment Funds - Global Best Ideas Fund	12,967	2.59
118,548,345	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	106,196	21.14
		170,621	33.96
Overseas Bonds 8.37% (30 April 2012 7.78%)			
57,166	Mirabaud Convertible Bond Fund	5,706	1.14
44,977,559	Old Mutual Specialist Funds - Bond 3 Fund	20,186	4.01
1,518,862	Wellington Management Global Credit Plus Fund	16,191	3.22
		42,083	8.37
Investment assets		478,472	95.20
Net other assets		24,147	4.80
Total net assets		502,619	100.00

Statement of total return

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
	Notes				
Income					
Net capital gains/(losses)	2		46,341		(7,287)
Revenue	3	15,812		13,076	
Expenses	4	(5,519)		(4,389)	
Finance costs: Interest	6	(4)		-	
Net revenue before taxation		10,289		8,687	
Taxation	5	(1,530)		(1,319)	
Net revenue after taxation			8,759		7,368
Total return before distributions			55,100		81
Finance costs: Distributions	6		(7,769)		(6,472)
Change in net assets attributable to shareholders from investment activities			47,331		(6,391)

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

	01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Opening net assets attributable to shareholders		373,252		297,251
Amounts received on issue of shares	88,217		83,946	
Amounts paid on cancellation of shares	(14,125)		(8,174)	
		74,092		75,772
Stamp duty reserve tax		(129)		(130)
Change in net assets attributable to shareholders from investment activities		47,331		(6,391)
Retained distribution on accumulation shares		8,073		6,750
Closing net assets attributable to shareholders		502,619		373,252

The notes on pages 125 to 132 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			478,472		367,334
Debtors	7	5,110		4,526	
Cash and bank balances	8	21,806		7,411	
Total other assets			26,916		11,937
Total assets			505,388		379,271
Liabilities					
Creditors	9	(2,769)		(6,019)	
Total other liabilities			(2,769)		(6,019)
Total liabilities			(2,769)		(6,019)
Net assets attributable to shareholders			502,619		373,252

The notes on pages 125 to 132 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 5 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

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

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Gains/(losses) on non-derivative securities	46,346	(7,278)
Gains on currency contracts	2	1
Handling charges	(7)	(10)
Net capital gains/(losses)	46,341	(7,287)

3 Revenue

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Authorised Corporate Director's fee rebate	2,022	1,612
Authorised Corporate Director's capitalised fee rebate	1,237	1,120
Bank and term deposit interest	12	8
Franked distributions on Collective Investment Schemes	2,513	1,976
Non-taxable overseas dividends	122	115
Non-taxable distributions from offshore funds	5	-
Taxable overseas dividends	941	877
Unfranked distributions on Collective Investment Schemes	8,960	7,368
Total revenue	15,812	13,076

Notes to the financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	5,240	4,133
	<u>5,240</u>	<u>4,133</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	53	43
Safe custody fees	20	11
	<u>73</u>	<u>54</u>
Other expenses:		
Administration fees	155	186
Audit fees *	7	6
Financial consultancy fees	8	10
Legal fees	12	-
Professional fees	8	-
Risk & compliance monitoring fees	16	-
	<u>206</u>	<u>202</u>
Total expenses	<u>5,519</u>	<u>4,389</u>

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	1,299	1,298
Total current tax charge for the year (see note 5(b))	1,299	1,298
Deferred tax charge for the year	231	21
Deferred tax charge for the year (see note 5(c))	231	21
Total taxation for the year	1,530	1,319

b) Factors affecting current tax charge for the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	10,289	8,687
Corporation tax at 20% (30 April 2012: 20%)	2,058	1,737
Effects of:		
Franked investment revenue at 20%	(503)	(395)
Movement in revenue accruals taxable on receipt	(231)	(21)
Non-taxable overseas dividends	(25)	(23)
Total current tax charge for the year (see note 5 (a))	1,299	1,298

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

c) Movement in deferred tax

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Deferred tax at the start of the year	156	135
Deferred tax charge for the year (see note 5(a))	231	21
Deferred tax at the end of the year	387	156

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:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	4,098	3,449
Final (30 April)	3,974	3,301
	<u>8,072</u>	<u>6,750</u>
Revenue deducted on cancellation of shares	60	37
Revenue received on issue of shares	(363)	(315)
Finance costs: Distributions	7,769	6,472
Finance costs: Interest	4	-
Total finance costs	7,773	6,472
Reconciliation of distributions:		
Net revenue after taxation	8,759	7,368
Authorised Corporate Director's capitalised fee rebates	(1,237)	(1,120)
Tax charge on income taken to capital	247	224
Finance costs: Distributions	7,769	6,472

Details of the interim and final distributions per share are set out in the table on page 132.

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	571	256
Accrued revenue	1,340	1,101
Amounts receivable for issue of shares	1,514	2,213
Income tax recoverable	184	956
Sales awaiting settlement	1,501	-
Total debtors	5,110	4,526

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Cash and bank balances	21,806	7,411
Total cash and bank balances	21,806	7,411

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	506	378
Accrued Depositary's fees	5	-
Accrued expenses	120	43
Corporation tax payable	250	1,319
Deferred tax	387	156
Purchases awaiting settlement	1,501	4,123
Total creditors	2,769	6,019

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
420,026	Old Mutual Global Futures Fund	4,037	-
16,337,153	Old Mutual Investment Funds - Global Best Ideas Fund	12,967	-
118,548,345	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	106,196	238
-	Old Mutual Investment Grade Corporate Bond Fund	-	385
875,565	Old Mutual Local Currency Emerging Market Debt Fund	9,098	471
23,101,297	Old Mutual Multimanager Trust - Equity 1 Fund	17,896	186
18,714,561	Old Mutual Multimanager Trust - Equity 2 Fund	21,335	500
19,378,033	Old Mutual Multimanager Trust - UK Alpha Fund	21,258	409
57,892,973	Old Mutual Property Fund	27,962	1,036
81,848,733	Old Mutual Specialist Funds - Bond 1 Fund	37,094	1,947
42,109,886	Old Mutual Specialist Funds - Bond 2 Fund	33,128	1,393
44,977,559	Old Mutual Specialist Funds - Bond 3 Fund	20,186	1,736
43,137,299	Old Mutual Specialist Funds - Gilt Fund	32,327	909
-	Old Mutual UK Equity Fund	-	102
-	Skandia UK Best Ideas Fund	-	4

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 119.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

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 30 April 2013 (30 April 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.13				
Sterling	21,806	-	483,582	505,388
Total	21,806	-	483,582	505,388

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.12				
Sterling	7,348	-	371,860	379,208
US Dollar	63	-	-	63
Total	7,411	-	371,860	379,271

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.13			
Sterling	-	(2,769)	(2,769)
Total	-	(2,769)	(2,769)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.12			
Sterling	-	(6,019)	(6,019)
Total	-	(6,019)	(6,019)

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

d) 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.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 5 are included on page 22 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 119.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share	Distribution paid 30.06.12 pence per share
Accumulation 'A' Shares				
Group 1	0.4999	-	0.4999	0.4925
Group 2	0.2905	0.2094	0.4999	0.4925
Accumulation 'R' Shares				
Group 1	0.5326	-	0.5326	-
Group 2	0.1046	0.4280	0.5326	-

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.12 pence per share	Distribution paid 31.12.11 pence per share
Accumulation 'A' Shares				
Group 1	0.5775	-	0.5775	0.5634
Group 2	0.2961	0.2814	0.5775	0.5634

* 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.

Old Mutual Spectrum 6 Fund

Launch date	28 April 2008
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£322,667,441

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is broadly balanced with a majority, 50% to 75%, invested in equities and the remainder in more defensive asset classes.

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 15 February 2013 at 60.60p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.11 Accumulation 'A'	£186,819,036	338,702,622	55.16
30.04.12 Accumulation 'A'	£221,121,287	408,790,882	54.09
30.04.13 Accumulation 'A'	£322,063,136	519,965,663	61.94
Accumulation 'R'	£604,305	974,913	61.99

Comparative table

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

Calendar year	Highest price	Lowest price
2008*		
Accumulation 'A'	51.31	37.11
2009		
Accumulation 'A'	48.41	35.60
2010		
Accumulation 'A'	54.91	46.79
2011		
Accumulation 'A'	56.28	48.66
2012		
Accumulation 'A'	58.03	52.02
2013**		
Accumulation 'A'	62.77	58.29
Accumulation 'R'***	62.80	60.60

* from 28 April 2008

** to 30 April 2013

*** from 15 February 2013

Income (Net Accumulations)

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

Calendar year	Pence per share
2008*	
Accumulation 'A'	0.5285
2009	
Accumulation 'A'	0.9141
2010	
Accumulation 'A'	0.8944
2011	
Accumulation 'A'	0.8758
2012	
Accumulation 'A'	0.8972
2013**	
Accumulation 'A'	0.3951
Accumulation 'R'***	0.4377

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** From 15 February 2013

Investment Manager's review

The performance for these funds also ended the review year ahead of the benchmark, with positive absolute gains, though with a relatively higher level of risk, not as markedly as the funds holding less risk.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts was modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. But the holdings in alternative assets detracted.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

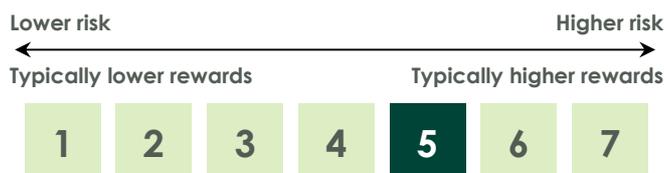
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance. The relatively larger holdings in these assets in the Spectrum funds with higher risk profiles were thus a greater hindrance to their performance. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval did not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month, but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



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

Funds in category 5 have in the past shown moderately high volatility. With a fund of category 5, you have a moderately high risk of losing money but your chance for gains is also moderately high.

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject the collective risks of these other funds.

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

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

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

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

Asset allocation

Equities	58.64%
Bonds	18.64%
Property	14.69%
Gilts	4.70%

Net other assets	3.33%
------------------	-------

Total	100.00%
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Portfolio allocation

Global Equities	41.15%
UK Equities	17.49%
UK Property	14.69%
UK Bonds	11.38%
Overseas Bonds	6.01%
UK Gilts	4.70%
Global Emerging Markets Bonds	1.25%

Net other assets	3.33%
------------------	-------

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

Major holdings

	Percentage of portfolio
Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	25.36%
M&G Property Portfolio Fund	9.06%
Old Mutual Property Fund	5.63%
Old Mutual Specialist Funds - Bond 1 Fund	5.36%
Old Mutual Multimanager Trust - Equity 2 Fund	5.24%
Old Mutual Multimanager Trust - UK Alpha Fund	5.22%
Old Mutual Specialist Funds - Gilt Fund	4.70%
Old Mutual Specialist Funds - Bond 2 Fund	4.67%
Old Mutual Multimanager Trust - Equity 1 Fund	4.39%
Old Mutual Investment Funds - Global Best Ideas Fund	3.16%

Number of holdings	23
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Ongoing charges figure (OCF)*

30.04.13 Accumulation 'A'	1.91%
30.04.13 Accumulation 'R'	1.16%

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 48.26% (30 April 2012 54.40%)		
	UK Bonds 11.38% (30 April 2012 11.30%)		
12,282,051	Fidelity Moneybuilder Income Fund	4,349	1.35
38,173,848	Old Mutual Specialist Funds - Bond 1 Fund	17,300	5.36
19,135,701	Old Mutual Specialist Funds - Bond 2 Fund	15,054	4.67
		36,703	11.38
	UK Equities 17.49% (30 April 2012 23.34%)		
2,361,568	Artemis UK Growth Fund	8,519	2.64
18,305,152	Old Mutual Multifmanager Trust - Equity 1 Fund	14,181	4.39
14,822,337	Old Mutual Multifmanager Trust - Equity 2 Fund	16,897	5.24
15,353,811	Old Mutual Multifmanager Trust - UK Alpha Fund	16,843	5.22
		56,440	17.49
	UK Gilts 4.70% (30 April 2012 5.67%)		
20,250,032	Old Mutual Specialist Funds - Gilt Fund	15,175	4.70
		15,175	4.70
	UK Property 14.69% (30 April 2012 14.09%)		
2,879,713	M&G Property Portfolio Fund	29,236	9.06
37,612,878	Old Mutual Property Fund	18,167	5.63
		47,403	14.69
	Overseas 48.41% (30 April 2012 44.41%)		
	Global Emerging Markets Bonds 1.25% (30 April 2012 1.28%)		
388,577	Old Mutual Local Currency Emerging Market Debt Fund	4,038	1.25
		4,038	1.25
	Global Equities 41.15% (30 April 2012 37.59%)		
4,597,786	BlackRock Continental European Equity Tracker Fund	6,986	2.17
3,382,917	BlackRock Japan Equity Tracker Fund	4,553	1.41
4,529,639	BlackRock North American Equity Tracker Fund	7,458	2.31
1,427,749	BlackRock Pacific ex Japan Equity Tracker Fund	3,187	0.99
554,945	Dimensional Emerging Markets Target Value Fund	9,107	2.82
59,816	Fulcrum Alternative Beta Plus Fund	6,251	1.94
331,476	Old Mutual Global Futures Fund	3,186	0.99
12,860,726	Old Mutual Investment Funds - Global Best Ideas Fund	10,208	3.16
91,352,493	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	81,834	25.36
		132,770	41.15
	Overseas Bonds 6.01% (30 April 2012 5.54%)		
26,204	Mirabaud Convertible Bond Fund	2,615	0.81
20,687,330	Old Mutual Specialist Funds - Bond 3 Fund	9,284	2.88
702,774	Wellington Management Global Credit Plus Fund	7,492	2.32
		19,391	6.01
	Investment assets	311,920	96.67
	Net other assets	10,747	3.33
	Total net assets	322,667	100.00

Statement of total return

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
	Notes				
Income					
Net capital gains/(losses)	2		32,804		(7,414)
Revenue	3	8,840		7,118	
Expenses	4	(3,475)		(2,674)	
Finance costs: Interest	6	(2)		-	
Net revenue before taxation		5,363		4,444	
Taxation	5	(682)		(584)	
Net revenue after taxation			4,681		3,860
Total return before distributions			37,485		(3,554)
Finance costs: Distributions	6		(4,132)		(3,354)
Change in net assets attributable to shareholders from investment activities			33,353		(6,908)

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

	01.05.12 to 30.04.13 £'000	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000	01.05.11 to 30.04.12 £'000
Opening net assets attributable to shareholders		221,121		186,819
Amounts received on issue of shares	81,329		50,827	
Amounts paid on cancellation of shares	(17,255)		(13,000)	
		64,074		37,827
Stamp duty reserve tax		(85)		(104)
Change in net assets attributable to shareholders from investment activities		33,353		(6,908)
Retained distribution on accumulation shares		4,204		3,487
Closing net assets attributable to shareholders		322,667		221,121

The notes on pages 140 to 147 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			311,920		218,484
Debtors	7	2,527		1,088	
Cash and bank balances	8	10,236		4,090	
Total other assets			12,763		5,178
Total assets			324,683		223,662
Liabilities					
Creditors	9	(2,016)		(2,541)	
Total other liabilities			(2,016)		(2,541)
Total liabilities			(2,016)		(2,541)
Net assets attributable to shareholders			322,667		221,121

The notes on pages 140 to 147 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 6 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
	32,809	(7,406)
	2	1
	(7)	(9)
	32,804	(7,414)

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
	1,467	1,100
	687	632
	5	4
	1,864	1,444
	87	79
	3	-
	393	370
	4,334	3,489
	8,840	7,118

Notes to the financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	3,243	2,478
	<u>3,243</u>	<u>2,478</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	33	26
Safe custody fees	18	7
	<u>51</u>	<u>33</u>
Other expenses:		
Administration fees	150	147
Audit fees *	7	6
Financial consultancy fees	7	10
Legal fees	8	-
Professional fees	8	-
Risk & compliance monitoring fees	1	-
	<u>181</u>	<u>163</u>
Total expenses	<u>3,475</u>	<u>2,674</u>

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	569	573
Total current tax charge for the year (see note 5(b))	569	573
Deferred tax charge for the year	113	11
Deferred tax charge for the year (see note 5(c))	113	11
Total taxation for the year	682	584

b) Factors affecting current tax charge for the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	5,363	4,444
Corporation tax at 20% (30 April 2012: 20%)	1,073	889
Effects of:		
Franked investment revenue at 20%	(373)	(289)
Movement in revenue accruals taxable on receipt	(113)	(11)
Non-taxable overseas dividends	(18)	(16)
Total current tax charge for the year (see note 5 (a))	569	573

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

c) Movement in deferred tax

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Deferred tax at the start of the year	96	85
Deferred tax charge for the year (see note 5(a))	113	11
Deferred tax at the end of the year	209	96

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:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	2,145	1,845
Final (30 April)	2,059	1,642
	<u>4,204</u>	<u>3,487</u>
Revenue deducted on cancellation of shares	55	34
Revenue received on issue of shares	(127)	(167)
Finance costs: Distributions	4,132	3,354
Finance costs: Interest	2	-
Total finance costs	4,134	3,354
Reconciliation of distributions:		
Net revenue after taxation	4,681	3,860
Authorised Corporate Director's capitalised fee rebates	(687)	(632)
Tax charge on income taken to capital	138	126
Finance costs: Distributions	4,132	3,354

Details of the interim and final distributions per share are set out in the table on page 148.

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	424	158
Accrued revenue	656	499
Amounts receivable for issue of shares	368	431
Income tax recoverable	114	-
Sales awaiting settlement	965	-
Total debtors	2,527	1,088

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Cash and bank balances	10,236	4,090
Total cash and bank balances	10,236	4,090

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	661	225
Accrued Depository's fees	3	-
Accrued expenses	122	36
Amounts payable for cancellation of shares	18	-
Corporation tax payable	38	100
Deferred tax	209	96
Purchases awaiting settlement	965	2,084
Total creditors	2,016	2,541

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
331,476	Old Mutual Global Futures Fund	3,186	-
12,860,726	Old Mutual Investment Funds - Global Best Ideas Fund	10,208	-
91,352,493	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	81,834	167
-	Old Mutual Investment Grade Corporate Bond Fund	-	165
388,577	Old Mutual Local Currency Emerging Market Debt Fund	4,038	189
18,305,152	Old Mutual Multimanager Trust - Equity 1 Fund	14,181	146
14,822,337	Old Mutual Multimanager Trust - Equity 2 Fund	16,897	357
15,353,811	Old Mutual Multimanager Trust - UK Alpha Fund	16,843	295
37,612,878	Old Mutual Property Fund	18,167	672
38,173,848	Old Mutual Specialist Funds - Bond 1 Fund	17,300	850
19,135,701	Old Mutual Specialist Funds - Bond 2 Fund	15,054	588
20,687,330	Old Mutual Specialist Funds - Bond 3 Fund	9,284	750
20,250,032	Old Mutual Specialist Funds - Gilt Fund	15,175	396
-	Old Mutual UK Equity Fund	-	76
-	Skandia UK Best Ideas Fund	-	3

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 134.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

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 30 April 2013 (30 April 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.13				
Sterling	10,236	-	314,447	324,683
Total	10,236	-	314,447	324,683

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.12				
Sterling	4,036	-	219,572	223,608
US Dollar	54	-	-	54
Total	4,090	-	219,572	223,662

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.13			
Sterling	-	(2,016)	(2,016)
Total	-	(2,016)	(2,016)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.12			
Sterling	-	(2,541)	(2,541)
Total	-	(2,541)	(2,541)

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

d) 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.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 6 are included on page 22 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 134.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share	Distribution paid 30.06.12 pence per share
Accumulation 'A' Shares				
Group 1	0.3951	-	0.3951	0.4016
Group 2	0.3166	0.0785	0.3951	0.4016
Accumulation 'R' Shares				
Group 1	0.4377	-	0.4377	-
Group 2	0.1077	0.3300	0.4377	-

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.12 pence per share	Distribution paid 31.12.11 pence per share
Accumulation 'A' Shares				
Group 1	0.4956	-	0.4956	0.4878
Group 2	0.3108	0.1848	0.4956	0.4878

* 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.

Old Mutual Spectrum 7 Fund

Launch date	28 April 2008
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£114,538,967

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is moderately aggressive with a significant majority, 60% to 80%, invested in equities but with some exposure to more defensive asset classes

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 18 February 2013 at 59.40p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.11 Accumulation 'A'	£66,313,528	122,155,698	54.29
30.04.12 Accumulation 'A'	£84,098,509	159,591,933	52.70
30.04.13 Accumulation 'A'	£114,256,965	188,346,192	60.66
Accumulation 'R'	£282,002	464,394	60.72

Comparative table

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

Calendar year	Highest price	Lowest price
2008*		
Accumulation 'A'	51.44	35.25
2009		
Accumulation 'A'	47.31	33.77
2010		
Accumulation 'A'	54.16	45.41
2011		
Accumulation 'A'	55.45	46.79
2012		
Accumulation 'A'	56.45	50.33
2013**		
Accumulation 'A'	61.71	56.77
Accumulation 'R'***	61.74	59.40

* from 28 April 2008

** to 30 April 2013

*** from 18 February 2013

Income (Net Accumulations)

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

Calendar year	Pence per share
2008*	
Accumulation 'A'	0.5172
2009	
Accumulation 'A'	0.7070
2010	
Accumulation 'A'	0.6857
2011	
Accumulation 'A'	0.6793
2012	
Accumulation 'A'	0.7026
2013**	
Accumulation 'A'	0.3014
Accumulation 'R'***	0.3559

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** From 18 February 2013

Investment Manager's review

The performance for these funds also ended the review year ahead of the benchmark, with positive absolute gains, though with a relatively higher level of risk, not as markedly as the funds holding less risk.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts was modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. But the holdings in alternative assets detracted.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

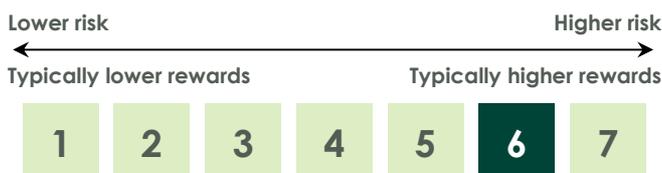
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance. The relatively larger holdings in these assets in the Spectrum funds with higher risk profiles were thus a greater hindrance to their performance. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval did not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month, but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



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

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

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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

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

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

Asset allocation		Major holdings	Percentage of portfolio
Equities	68.53%	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	29.57%
Property	14.73%	M&G Property Portfolio Fund	9.59%
Bonds	10.77%	Old Mutual Multimanager Trust - Equity 2 Fund	6.18%
Gilts	2.71%	Old Mutual Multimanager Trust - UK Alpha Fund	6.17%
		Old Mutual Multimanager Trust - Equity 1 Fund	5.19%
Net other assets	3.26%	Old Mutual Property Fund	5.14%
		Old Mutual Investment Funds - Global Best Ideas Fund	3.68%
Total	100.00%	Dimensional Emerging Markets Target Value Fund	3.24%
		Artemis UK Growth Fund	3.12%
Portfolio allocation		Old Mutual Specialist Funds - Bond 1 Fund	3.08%
Global Equities	47.87%		
UK Equities	20.66%		
UK Property	14.73%		
UK Bonds	6.55%		
Overseas Bonds	3.46%		
Gilts	2.71%		
Global Emerging Markets Bonds	0.76%		
Net other assets	3.26%		
Total	100.00%		
		Number of holdings	23
		Ongoing charges figure (OCF)*	
		30.04.13 Accumulation 'A'	2.00%
		30.04.13 Accumulation 'R'	1.25%

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	United Kingdom 44.65% (30 April 2012 51.42%)		
	UK Bonds 6.55% (30 April 2012 6.59%)		
2,521,348	Fidelity Moneybuilder Income Fund	893	0.78
7,781,295	Old Mutual Specialist Funds - Bond 1 Fund	3,527	3.08
3,922,960	Old Mutual Specialist Funds - Bond 2 Fund	3,086	2.69
		7,506	6.55
	UK Equities 20.66% (30 April 2012 27.34%)		
990,341	Artemis UK Growth Fund	3,572	3.12
7,675,342	Old Mutual Multifmanager Trust - Equity 1 Fund	5,946	5.19
6,214,982	Old Mutual Multifmanager Trust - Equity 2 Fund	7,085	6.18
6,438,021	Old Mutual Multifmanager Trust - UK Alpha Fund	7,063	6.17
		23,666	20.66
	UK Gilts 2.71% (30 April 2012 3.47%)		
4,140,893	Old Mutual Specialist Funds - Gilt Fund	3,103	2.71
		3,103	2.71
	UK Property 14.73% (30 April 2012 14.02%)		
1,081,463	M&G Property Portfolio Fund	10,979	9.59
12,189,604	Old Mutual Property Fund	5,888	5.14
		16,867	14.73
	Overseas 52.09% (30 April 2012 46.83%)		
	Global Emerging Markets Bonds 0.76% (30 April 2012 0.73%)		
83,221	Old Mutual Local Currency Emerging Market Debt Fund	865	0.76
		865	0.76
	Global Equities 47.87% (30 April 2012 42.87%)		
1,923,983	BlackRock Continental European Equity Tracker Fund	2,923	2.55
1,382,325	BlackRock Japan Equity Tracker Fund	1,861	1.62
1,900,580	BlackRock North American Equity Tracker Fund	3,129	2.73
596,053	BlackRock Pacific ex Japan Equity Tracker Fund	1,330	1.16
225,796	Dimensional Emerging Markets Target Value Fund	3,705	3.24
24,259	Fulcrum Alternative Beta Plus Fund	2,535	2.21
132,805	Old Mutual Global Futures Fund	1,276	1.11
5,296,083	Old Mutual Investment Funds - Global Best Ideas Fund	4,204	3.68
37,800,578	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	33,863	29.57
		54,826	47.87
	Overseas Bonds 3.46% (30 April 2012 3.23%)		
5,462	Mirabaud Convertible Bond Fund	545	0.48
4,227,493	Old Mutual Specialist Funds - Bond 3 Fund	1,897	1.65
143,059	Wellington Management Global Credit Plus Fund	1,525	1.33
		3,967	3.46
	Investment assets	110,800	96.74
	Net other assets	3,739	3.26
	Total net assets	114,539	100.00

Statement of total return

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13	01.05.12 to 30.04.13	01.05.11 to 30.04.12	01.05.11 to 30.04.12
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		12,747		(2,992)
Revenue	3	2,867		2,375	
Expenses	4	(1,323)		(1,053)	
Finance costs: Interest	6	(1)		-	
Net revenue before taxation		1,543		1,322	
Taxation	5	(148)		(131)	
Net revenue after taxation			1,395		1,191
Total return before distributions			14,142		(1,801)
Finance costs: Distributions	6		(1,228)		(1,030)
Change in net assets attributable to shareholders from investment activities			12,914		(2,831)

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13	01.05.12 to 30.04.13	01.05.11 to 30.04.12	01.05.11 to 30.04.12
		£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders			84,099		66,313
Amounts received on issue of shares		25,177		26,344	
Amounts paid on cancellation of shares		(8,872)		(6,753)	
			16,305		19,591
Stamp duty reserve tax			(33)		(40)
Change in net assets attributable to shareholders from investment activities			12,914		(2,831)
Retained distribution on accumulation shares			1,254		1,066
Closing net assets attributable to shareholders			114,539		84,099

The notes on pages 155 to 162 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			110,800		82,627
Debtors	7	1,135		753	
Cash and bank balances	8	3,236		1,106	
Total other assets			4,371		1,859
Total assets			115,171		84,486
Liabilities					
Creditors	9	(632)		(387)	
Total other liabilities			(632)		(387)
Total liabilities			(632)		(387)
Net assets attributable to shareholders			114,539		84,099

The notes on pages 155 to 162 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 7 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
	12,756	(2,983)
	1	1
	(10)	(10)
	12,747	(2,992)

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
	594	466
	208	201
	2	1
	762	631
	39	36
	2	-
	88	81
	1,172	959
	2,867	2,375

Notes to the financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	1,189	931
	<u>1,189</u>	<u>931</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	12	10
Safe custody fees	7	3
	<u>19</u>	<u>13</u>
Other expenses:		
Administration fees	73	93
Audit fees *	7	6
Financial consultancy fees	8	10
Legal fees	3	-
Professional fees	8	-
Risk & compliance monitoring fees	16	-
	<u>115</u>	<u>109</u>
Total expenses	<u>1,323</u>	<u>1,053</u>

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	124	126
Total current tax charge for the year (see note 5(b))	124	126
Deferred tax charge for the year	24	5
Deferred tax charge for the year (see note 5(c))	24	5
Total taxation for the year	148	131

b) Factors affecting current tax charge for the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	1,543	1,322
Corporation tax at 20% (30 April 2012: 20%)	308	264
Effects of:		
Franked investment revenue at 20%	(152)	(126)
Movement in revenue accruals taxable on receipt	(24)	(5)
Non-taxable overseas dividends	(8)	(7)
Total current tax charge for the year (see note 5 (a))	124	126

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

c) Movement in deferred tax

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Deferred tax at the start of the year	34	29
Deferred tax charge for the year (see note 5(a))	24	5
Deferred tax at the end of the year	58	34

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:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	685	591
Final (30 April)	569	475
	<u>1,254</u>	<u>1,066</u>
Revenue deducted on cancellation of shares	18	16
Revenue received on issue of shares	(44)	(52)
Finance costs: Distributions	1,228	1,030
Finance costs: Interest	1	-
Total finance costs	1,229	1,030
Reconciliation of distributions:		
Net revenue after taxation	1,395	1,191
Authorised Corporate Director's capitalised fee rebates	(208)	(201)
Tax charge on income taken to capital	41	40
Finance costs: Distributions	1,228	1,030

Details of the interim and final distributions per share are set out in the table on page 163.

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	149	61
Accrued revenue	164	143
Amounts receivable for issue of shares	441	326
Income tax recoverable	39	223
Sales awaiting settlement	342	-
Total debtors	1,135	753

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Cash and bank balances	3,236	1,106
Total cash and bank balances	3,236	1,106

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	116	86
Accrued Depository's fees	1	-
Accrued expenses	81	27
Amounts payable for cancellation of shares	22	17
Corporation tax payable	12	223
Deferred tax	58	34
Purchases awaiting settlement	342	-
Total creditors	632	387

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
132,805	Old Mutual Global Futures Fund	1,276	-
5,296,083	Old Mutual Investment Funds - Global Best Ideas Fund	4,204	-
37,800,578	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	33,862	76
-	Old Mutual Investment Grade Corporate Bond Fund	-	36
83,221	Old Mutual Local Currency Emerging Market Debt Fund	865	45
7,675,342	Old Mutual Multimanager Trust - Equity 1 Fund	5,946	59
6,214,982	Old Mutual Multimanager Trust - Equity 2 Fund	7,085	166
6,438,021	Old Mutual Multimanager Trust - UK Alpha Fund	7,063	130
12,189,604	Old Mutual Property Fund	5,888	207
7,781,295	Old Mutual Specialist Funds - Bond 1 Fund	3,527	181
3,922,960	Old Mutual Specialist Funds - Bond 2 Fund	3,086	128
4,227,493	Old Mutual Specialist Funds - Bond 3 Fund	1,897	161
4,140,893	Old Mutual Specialist Funds - Gilt Fund	3,103	85
-	Old Mutual UK Equity Fund	-	33
-	Skandia UK Best Ideas Fund	-	1

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 149.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

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 30 April 2013 (30 April 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.13				
Sterling	3,236	-	111,935	115,171
Total	3,236	-	111,935	115,171

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.12				
Sterling	1,086	-	83,380	84,466
US Dollar	20	-	-	20
Total	1,106	-	83,380	84,486

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.13			
Sterling	-	(632)	(632)
Total	-	(632)	(632)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.12			
Sterling	-	(387)	(387)
Total	-	(387)	(387)

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

d) 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.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 7 are included on page 22 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 149.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share	Distribution paid 30.06.12 pence per share
Accumulation 'A' Shares				
Group 1	0.3014	-	0.3014	0.2978
Group 2	0.2259	0.0755	0.3014	0.2978
Accumulation 'R' Shares				
Group 1	0.3559	-	0.3559	-
Group 2	0.1452	0.2107	0.3559	-

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.12 pence per share	Distribution paid 31.12.11 pence per share
Accumulation 'A' Shares				
Group 1	0.4048	-	0.4048	0.4034
Group 2	0.4035	0.0013	0.4048	0.4034

* 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.

Old Mutual Spectrum 8 Fund

Launch date	28 April 2008
Sector classification	Unclassified
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£66,484,281

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is aggressive with a significant exposure, 70% to 90%, to equities.

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of cash, money market instruments, international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 19 February 2013 at 57.97p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
30.04.11 Accumulation 'A'	£32,583,904	61,015,772	53.40
30.04.12 Accumulation 'A'	£40,245,270	78,866,818	51.03
30.04.13 Accumulation 'A'	£66,193,303	112,167,382	59.01
Accumulation 'R'	£290,978	492,420	59.09

Comparative table

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

Calendar year	Highest price	Lowest price
2008*		
Accumulation 'A'	51.61	32.80
2009		
Accumulation 'A'	46.22	31.95
2010		
Accumulation 'A'	53.32	44.04
2011		
Accumulation 'A'	54.63	44.89
2012		
Accumulation 'A'	54.58	48.32
2013**		
Accumulation 'A'	60.21	54.93
Accumulation 'R'***	60.24	57.97

* from 28 April 2008

** to 30 April 2013

*** from 19 February 2013

Income (Net Accumulations)

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

Calendar year	Pence per share
2008*	
Accumulation 'A'	0.4075
2009	
Accumulation 'A'	0.5085
2010	
Accumulation 'A'	0.5314
2011	
Accumulation 'A'	0.4724
2012	
Accumulation 'A'	0.5209
2013**	
Accumulation 'A'	0.1952
Accumulation 'R'***	0.2968

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** From 19 February 2013

Investment Manager's review

The performance for these funds also ended the review year ahead of the benchmark, with positive absolute gains, though with a relatively higher level of risk, not as markedly as the funds holding less risk.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts was modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. But the holdings in alternative assets detracted.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

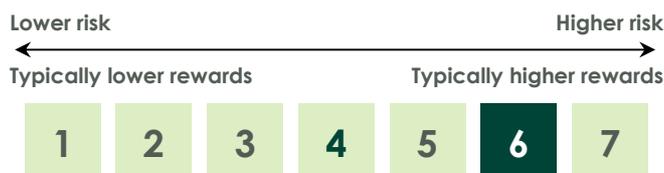
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance. The relatively larger holdings in these assets in the Spectrum funds with higher risk profiles were thus a greater hindrance to their performance. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval did not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month, but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



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

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

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

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

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

Capital erosion risk - the sub-fund takes 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.

Asset allocation		Major holdings	Percentage of portfolio
Equities	78.84%	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	33.96%
Property	14.37%	M&G Property Portfolio Fund	9.35%
Bonds	3.08%	Old Mutual Multimanager Trust - Equity 2 Fund	7.20%
Gilts	0.84%	Old Mutual Multimanager Trust - UK Alpha Fund	7.17%
		Old Mutual Multimanager Trust - Equity 1 Fund	6.03%
		Old Mutual Property Fund	5.02%
		Old Mutual Investment Funds - Global Best Ideas Fund	4.06%
		Dimensional Emerging Markets Target Value Fund	3.70%
		Artemis UK Growth Fund	3.58%
		BlackRock North American Equity Tracker Fund	3.05%
Net other assets	2.87%		
Total	100.00%		
Portfolio allocation		Number of holdings	23
Global Equities	54.86%	Ongoing charges figure (OCF)*	
UK Equities	23.98%	30.04.13 Accumulation 'A'	2.10%
UK Property	14.37%	30.04.13 Accumulation 'R'	1.35%
UK Bonds	1.83%		
Overseas Bonds	1.03%		
UK Gilts	0.84%		
Global Emerging Markets Bonds	0.22%		
Net other assets	2.87%		
Total	100.00%		

* 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 subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
United Kingdom 41.02% (30 April 2012 47.11%)			
UK Bonds 1.83% (30 April 2012 1.09%)			
381,477	Fidelity Moneybuilder Income Fund	135	0.20
1,348,658	Old Mutual Specialist Funds - Bond 1 Fund	611	0.92
597,573	Old Mutual Specialist Funds - Bond 2 Fund	470	0.71
		1,216	1.83
UK Equities 23.98% (30 April 2012 30.77%)			
660,715	Artemis UK Growth Fund	2,383	3.58
5,179,014	Old Mutual Multimanager Trust - Equity 1 Fund	4,012	6.03
4,193,682	Old Mutual Multimanager Trust - Equity 2 Fund	4,781	7.20
4,343,482	Old Mutual Multimanager Trust - UK Alpha Fund	4,765	7.17
		15,941	23.98
UK Gilts 0.84% (30 April 2012 0.97%)			
741,253	Old Mutual Specialist Funds - Gilt Fund	555	0.84
		555	0.84
UK Property 14.37% (30 April 2012 14.28%)			
611,895	M&G Property Portfolio Fund	6,212	9.35
6,912,999	Old Mutual Property Fund	3,339	5.02
		9,551	14.37
Overseas 56.11% (30 April 2012 51.20%)			
Global Emerging Markets Bonds 0.22% (30 April 2012 0.22%)			
14,218	Old Mutual Local Currency Emerging Market Debt Fund	148	0.22
		148	0.22
Global Equities 54.86% (30 April 2012 49.24%)			
1,302,497	BlackRock Continental European Equity Tracker Fund	1,979	2.98
890,962	BlackRock Japan Equity Tracker Fund	1,199	1.80
1,230,524	BlackRock North American Equity Tracker Fund	2,026	3.05
408,765	BlackRock Pacific ex Japan Equity Tracker Fund	912	1.37
149,880	Dimensional Emerging Markets Target Value Fund	2,460	3.70
16,646	Fulcrum Alternative Beta Plus Fund	1,739	2.62
91,333	Old Mutual Global Futures Fund	878	1.32
3,401,381	Old Mutual Investment Funds - Global Best Ideas Fund	2,700	4.06
25,211,151	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	22,585	33.96
		36,478	54.86
Overseas Bonds 1.03% (30 April 2012 1.74%)			
943	Mirabaud Convertible Bond Fund	94	0.14
722,896	Old Mutual Specialist Funds - Bond 3 Fund	325	0.49
25,077	Wellington Management Global Credit Plus Fund	267	0.40
		686	1.03
Investment assets		64,575	97.13
Net other assets		1,909	2.87
Total net assets		66,484	100.00

Statement of total return

for the year from 1 May 2012 to 30 April 2013

		01.05.12 to 30.04.13	01.05.12 to 30.04.13	01.05.11 to 30.04.12	01.05.11 to 30.04.12
	Notes	£'000	£'000	£'000	£'000
Income					
Net capital gains/(losses)	2		6,889		(1,826)
Revenue	3	1,301		994	
Expenses	4	(715)		(537)	
Finance costs: Interest	6	-		-	
Net revenue before taxation		586		457	
Taxation	5	(27)		(20)	
Net revenue after taxation			559		437
Total return before distributions			7,448		(1,389)
Finance costs: Distributions	6		(484)		(363)
Change in net assets attributable to shareholders from investment activities			6,964		(1,752)

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

	01.05.12 to 30.04.13	01.05.12 to 30.04.13	01.05.11 to 30.04.12	01.05.11 to 30.04.12
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		40,245		32,584
Amounts received on issue of shares	24,797		13,242	
Amounts paid on cancellation of shares	(5,994)		(4,184)	
		18,803		9,058
Stamp duty reserve tax		(22)		(20)
Change in net assets attributable to shareholders from investment activities		6,964		(1,752)
Retained distribution on accumulation shares		494		375
Closing net assets attributable to shareholders		66,484		40,245

The notes on pages 170 to 177 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

	Notes	30.04.13 £'000	30.04.13 £'000	30.04.12 £'000	30.04.12 £'000
Assets					
Investment assets			64,575		39,566
Debtors	7	644		258	
Cash and bank balances	8	2,001		533	
Total other assets			2,645		791
Total assets			67,220		40,357
Liabilities					
Creditors	9	(736)		(112)	
Total other liabilities			(736)		(112)
Total liabilities			(736)		(112)
Net assets attributable to shareholders			66,484		40,245

The notes on pages 170 to 177 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 8 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

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

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Gains/(losses) on non-derivative securities	6,896	(1,817)
Losses on currency contracts	(2)	-
Handling charges	(5)	(9)
Net capital gains/(losses)	6,889	(1,826)

3 Revenue

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Authorised Corporate Director's fee rebate	336	245
Authorised Corporate Director's capitalised fee rebate	93	92
Bank and term deposit interest	1	-
Franked distributions on Collective Investment Schemes	429	337
Non-taxable overseas dividends	22	20
Taxable overseas dividends	12	10
Unfranked distributions on Collective Investment Schemes	408	290
Total revenue	1,301	994

Notes to the financial statements (continued)

4 Expenses

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	607	440
	<u>607</u>	<u>440</u>
Payable to the Depositary, associates of the Depositary, and agents of either of them:		
Depositary's fees	6	5
Safe custody fees	8	1
	<u>14</u>	<u>6</u>
Other expenses:		
Administration fees	53	75
Audit fees *	7	6
Financial consultancy fees	8	10
Legal fees	2	-
Professional fees	8	-
Risk & compliance monitoring fees	16	-
	<u>94</u>	<u>91</u>
Total expenses	<u>715</u>	<u>537</u>

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Corporation tax suffered	14	18
Total current tax charge for the year (see note 5(b))	14	18
Deferred tax charge for the year	13	2
Deferred tax charge for the year (see note 5(c))	13	2
Total taxation for the year	27	20

b) Factors affecting current tax charge for the year

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'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	586	457
Corporation tax at 20% (30 April 2012: 20%)	117	91
Effects of:		
Franked investment revenue at 20%	(86)	(67)
Movement in revenue accruals taxable on receipt	(13)	(2)
Non-taxable overseas dividends	(4)	(4)
Total current tax charge for the year (see note 5 (a))	14	18

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

c) Movement in deferred tax

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Deferred tax at the start of the year	17	15
Deferred tax charge for the year (see note 5(a))	13	2
Deferred tax at the end of the year	30	17

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:

	01.05.12 to 30.04.13 £'000	01.05.11 to 30.04.12 £'000
Interim (31 October)	274	218
Final (30 April)	220	157
	494	375
Revenue deducted on cancellation of shares	7	5
Revenue received on issue of shares	(17)	(17)
Finance costs: Distributions	484	363
Finance costs: Interest	-	-
Total finance costs	484	363
Reconciliation of distributions:		
Net revenue after taxation	559	437
Authorised Corporate Director's capitalised fee rebates	(93)	(92)
CT relief transfer	5	-
Tax charge on income taken to capital	13	18
Finance costs: Distributions	484	363

Details of the interim and final distributions per share are set out in the table on page 178.

7 Debtors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's fee rebates	90	30
Accrued revenue	62	32
Amounts receivable for issue of shares	226	135
Corporation tax recoverable	41	-
Income tax recoverable	26	61
Sales awaiting settlement	199	-
Total debtors	644	258

8 Cash and bank balances

	30.04.13 £'000	30.04.12 £'000
Cash and bank balances	2,001	533
Total cash and bank balances	2,001	533

Notes to the financial statements (continued)

9 Creditors

	30.04.13 £'000	30.04.12 £'000
Accrued Authorised Corporate Director's periodic charge	68	41
Accrued expenses	70	25
Amounts payable for cancellation of shares	369	29
Deferred tax	30	17
Purchases awaiting settlement	199	-
Total creditors	736	112

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
91,333	Old Mutual Global Futures Fund	878	-
3,401,381	Old Mutual Investment Funds - Global Best Ideas Fund	2,700	-
25,211,151	Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund	22,584	40
-	Old Mutual Investment Grade Corporate Bond Fund	-	5
14,218	Old Mutual Local Currency Emerging Market Debt Fund	148	6
5,179,014	Old Mutual Multimanager Trust - Equity 1 Fund	4,012	36
4,193,682	Old Mutual Multimanager Trust - Equity 2 Fund	4,781	114
4,343,482	Old Mutual Multimanager Trust - UK Alpha Fund	4,765	84
6,912,999	Old Mutual Property Fund	3,339	138
1,348,658	Old Mutual Specialist Funds - Bond 1 Fund	611	28
597,573	Old Mutual Specialist Funds - Bond 2 Fund	470	17
722,896	Old Mutual Specialist Funds - Bond 3 Fund	324	25
741,253	Old Mutual Specialist Funds - Gilt Fund	555	12
-	Old Mutual UK Equity Fund	-	18
-	Skandia UK Best Ideas Fund	-	1

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 164.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations 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 review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

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 30 April 2013 (30 April 2012) was as follows:

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.13				
Sterling	2,001	-	65,219	67,220
Total	2,001	-	65,219	67,220

Currency	Variable rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
30.04.12				
Sterling	518	-	39,824	40,342
US Dollar	15	-	-	15
Total	533	-	39,824	40,357

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.13			
Sterling	-	(736)	(736)
Total	-	(736)	(736)

Currency	Variable rate financial liabilities* £'000	Financial liabilities not carrying interest £'000	Total £'000
30.04.12			
Sterling	-	(112)	(112)
Total	-	(112)	(112)

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

d) 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.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum 8 Fund are included on page 22 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 164.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 28.06.13 pence per share	Distribution paid 30.06.12 pence per share
Accumulation 'A' Shares				
Group 1	0.1952	-	0.1952	0.1985
Group 2	0.1739	0.0213	0.1952	0.1985
Accumulation 'R' Shares				
Group 1	0.2968	-	0.2968	-
Group 2	0.2628	0.0340	0.2968	-

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.12.12 pence per share	Distribution paid 31.12.11 pence per share
Accumulation 'A' Shares				
Group 1	0.3224	-	0.3224	0.3071
Group 2	0.3224	0.0000	0.3224	0.3071

* 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.