

Old Mutual MultiManager Trust

Annual Report and Financial Statements
For the year ended 30 September 2017

Contents

	Page
Trust Information	4
Report of the Manager	6
Manager's report	7
Cross Holdings	7
Statement of the Manager's responsibilities	8
Statement of the Trustee's responsibilities	9
Report of the Trustee to the Unitholders of the Old Mutual MultiManager Trust	9
Independent Auditor's Report to the Unitholders of the Old Mutual MultiManager Trust ("the Trust")	10
Old Mutual Artemis Income Fund	12
Investment manager's review	12
Performance record	13
Portfolio statement	16
Statement of total return	20
Statement of change in net assets attributable to unitholders	20
Balance sheet	21
Notes to the financial statements	22
Distribution table	31
Old Mutual Artemis UK Special Situations Fund	32
Investment manager's review	32
Performance record	33
Portfolio statement	35
Statement of total return	39
Statement of change in net assets attributable to unitholders	39
Balance sheet	40
Notes to the financial statements	41
Distribution table	49
Old Mutual Equity 1 Fund	50
Investment manager's review	50
Performance record	51
Portfolio statement	53
Statement of total return	56
Statement of change in net assets attributable to unitholders	56
Balance sheet	57
Notes to the financial statements	58
Distribution table	65
Old Mutual Equity 2 Fund	66
Investment manager's review	66
Performance record	67
Portfolio statement	69
Statement of total return	73
Statement of change in net assets attributable to unitholders	73
Balance sheet	74
Notes to the financial statements	75
Distribution table	83
Old Mutual Ethical Fund	84
Investment manager's review	84
Performance record	85
Portfolio statement	87
Statement of total return	90
Statement of change in net assets attributable to unitholders	90
Balance sheet	91
Notes to the financial statements	92
Distribution table	100
Old Mutual Newton UK Income Fund	101
Investment manager's review	101
Performance record	102
Portfolio statement	105
Statement of total return	108
Statement of change in net assets attributable to unitholders	108
Balance sheet	109
Notes to the financial statements	110
Distribution table	118

Contents (continued)

	Page
Old Mutual Newton UK Opportunities Fund	120
Investment manager's review	120
Performance record	121
Portfolio statement	124
Statement of total return	127
Statement of change in net assets attributable to unitholders	127
Balance sheet	128
Notes to the financial statements	129
Distribution table	137
Old Mutual UK Alpha Fund	138
Investment manager's review	138
Performance record	139
Portfolio statement	145
Statement of total return	148
Statement of change in net assets attributable to unitholders	148
Balance sheet	149
Notes to the financial statements	150
Distribution table	158
Old Mutual UK Index Fund	160
Investment manager's review	160
Performance record	161
Portfolio statement	165
Statement of total return	181
Statement of change in net assets attributable to unitholders	181
Balance sheet	182
Notes to the financial statements	183
Distribution table	191
Old Mutual Woodford Equity Income Fund	192
Investment manager's review	192
Performance record	193
Portfolio statement	196
Statement of total return	199
Statement of change in net assets attributable to unitholders	199
Balance sheet	200
Notes to the financial statements	201
Distribution table	209
Old Mutual MultiManager Trust	211
Accounting Policies	211

Trust Information

Manager

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

Authorised and regulated by the Financial Conduct Authority.

Directors of the Manager

M Dean
J Brescia
P Simpson

Investment Manager

Old Mutual Global Investors (UK) Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4P 4WR

Authorised and regulated by the Financial Conduct Authority.

Trustee

Citibank Europe plc, UK Branch
Citigroup Centre
Canada Square, Canary Wharf
London
E14 5LB

Authorised by the Central Bank of Ireland and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and the Prudential Regulation Authority.

Legal Adviser

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Administrator

Citibank Europe plc
1, North Wall Quay
Dublin 1
Ireland

Authorised by the Central Bank of Ireland (Central Bank) under the Investment Intermediaries Act 1995.

Registrar

DST Financial Services International Ltd (formerly International Financial Data Services)
DST House
Saint Nicholas Lane
Basildon
Essex
SS15 5FS

(The register of shareholders can be inspected at the above address)

Trust Information (continued)

Investment Adviser

Old Mutual Artemis Income Fund:

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

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Artemis UK Special Situations Fund:

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

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Equity 1 Fund:

Old Mutual Global Investors (UK) Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4P 4WR

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Equity 2 Fund:

Investec Asset Management Limited
2 Gresham Street
London
EC2V 7QA

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Ethical Fund:

Quilter Cheviot Limited
One Kingsway
London
WC2B 6AN

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Newton UK Income Fund:

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

Authorised and regulated by the Financial Conduct Authority.

From 8 May 2017**Old Mutual Newton UK Opportunities Fund (formerly Old Mutual BlackRock UK Special Situations Fund):**

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

Authorised and regulated by the Financial Conduct Authority.

To 8 May 2017**Old Mutual BlackRock UK Special Situations Fund:**

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

Authorised and regulated by the Financial Conduct Authority.

Old Mutual UK Alpha Fund:

Old Mutual Global Investors (UK) Limited
Millennium Bridge House
2 Lambeth Hill
London
EC4P 4WR

Authorised and regulated by the Financial Conduct Authority.

Old Mutual UK Index Fund:

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

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Woodford Equity Income Fund:

Woodford Investment Management Limited
9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HN

Authorised and regulated by the Financial Conduct Authority.

Report of the Manager

Manager's report

The Directors present the report and financial statements for the Old Mutual MultiManager Trust (the "Trust") for the year from 1 October 2016 to 30 September 2017.

Authorised status

The Trust is an authorised unit trust scheme ("AUT") under section 243 of the Financial Services and Markets Act 2000 (Authorisation orders) and is constituted by a Trust Deed between Old Mutual Investment Management Limited (the "Manager") and Citibank Europe plc (the "Trustee"), authorised and regulated by the Financial Conduct Authority. It is a "UCITS Scheme" for the purpose of the Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL Sourcebook").

Liability

The sub-funds represent segregated portfolios of assets and, accordingly, the assets of a sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (indirectly or directly) the liabilities of claim against, any other person or body, and any other sub-fund and shall not be available for any such purpose.

Sub-fund name, investment adviser and investment policy change

From 8 May 2017 the Old Mutual BlackRock UK Special Situations Fund changed name to Old Mutual Newton UK Opportunities Fund. The investment adviser also changed from BlackRock Advisors (UK) Limited to Newton Investment Management Limited (sub-adviser) and the investment policy was changed.

Additional information

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association (IA) in May 2014.

The Trust 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:

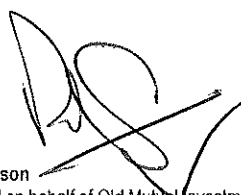
Sub-fund name	Launch date
Old Mutual Artemis Income Fund	27 March 2013
Old Mutual Artemis UK Special Situations Fund	12 April 2013
Old Mutual Equity 1 Fund	19 October 2004
Old Mutual Equity 2 Fund	13 December 2002
Old Mutual Ethical Fund	23 September 2005
Old Mutual Newton UK Income Fund	12 April 2013
Old Mutual Newton UK Opportunities Fund (formerly Old Mutual BlackRock UK Special Situations Fund)	27 March 2013
Old Mutual UK Alpha Fund	31 January 2003
Old Mutual UK Index Fund	13 December 2002
Old Mutual Woodford Equity Income Fund	9 October 2014

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



M Dean
For and on behalf of Old Mutual Investment Management Limited
Director

11 December 2017



P Simpson
For and on behalf of Old Mutual Investment Management Limited
Director

11 December 2017

Manager's report

The purpose of this report is to provide details of the progress of the Trust, 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 September 2017			30 September 2016		
	Net asset value of sub-fund	Units in issue	Net asset value per unit	Net asset value of sub-fund	Units in issue	Net asset value per unit
Old Mutual Artemis Income Fund						
- Income 'A'	£66,195,389	54,975,540	120.41p	£72,037,989	63,785,959	112.94p
- Accumulation 'U2'	£122,864,822	94,845,806	129.54p	£126,698,844	109,331,501	115.89p
- Income 'U2'	£138,884	120,537	115.22p	£138,844	129,582	107.15p
Old Mutual Artemis UK Special Situations Fund						
- Accumulation 'A'	£21,034,142	15,111,747	139.19p	£24,534,763	18,755,005	130.82p
- Accumulation 'U2'	£75,023,132	64,317,067	116.65p	£65,493,956	60,280,618	108.65p
Old Mutual Equity 1 Fund						
- Accumulation 'A'	£128,857,435	77,715,088	165.81p	£123,044,964	95,697,248	128.58p
Old Mutual Equity 2 Fund						
- Accumulation 'A'	£116,547,636	74,274,796	156.91p	£92,618,108	69,044,814	134.14p
Old Mutual Ethical Fund						
- Accumulation 'A'	£73,182,949	63,104,434	115.97p	£72,616,877	68,803,052	105.54p
- Accumulation 'R'	£53,572,768	44,953,045	119.17p	£32,898,422	30,558,342	107.66p
Old Mutual Newton UK Income Fund						
- Income 'A'	£25,737,725	22,191,158	115.98p	£30,122,092	25,225,213	119.41p
- Accumulation 'U2'	£46,027	34,729	132.53p	£23,538	18,111	129.96p
- Income 'U2'	£49	43	115.06p	£130	110	117.80p
Old Mutual Newton UK Opportunities Fund (formerly Old Mutual BlackRock UK Special Situations Fund)						
- Accumulation 'A'	£42,748,374	31,938,163	133.85p	£44,687,737	37,480,580	119.23p
- Accumulation 'U2'	£96,552,404	79,262,701	121.81p	£42,326	38,844	108.96p
- Income 'U2'	£2,032	1,581	128.52p	£4,339	3,747	115.81p
Old Mutual UK Alpha Fund						
- Accumulation 'A'	£83,510,426	63,674,436	131.15p	£91,558,014	80,346,803	113.95p
- Income 'A'	£5,220,449	4,410,009	118.38p	£5,556,826	5,235,725	106.13p
- Accumulation 'R'	£436,604,231	279,941,044	155.96p	£450,791,186	335,160,960	134.50p
- Income 'R'	£24,612,558	20,048,841	122.76p	£26,514,160	24,271,004	109.24p
- Accumulation 'U1'	£600,709,980	433,915,116	138.44p	£572,622,275	479,987,018	119.30p
- Income 'U1'	£398,631,340	331,915,755	120.10p	£371,631,553	347,990,189	106.79p
- Accumulation 'U2'	£242,453,465	183,128,422	132.40p	£166,061,088	145,658,629	114.01p
- Income 'U2'	£540,781,687	464,229,317	116.49p	£420,315,575	406,085,820	103.50p
- Accumulation 'X'	£13,856,106	11,193,586	123.79p	£12,613,305	11,904,391	105.96p
Old Mutual UK Index Fund						
- Accumulation 'A'	£168,860,714	107,134,646	157.62p	£169,139,232	120,236,935	140.67p
- Accumulation 'R'	£2,853,566	1,828,939	156.02p	£2,165,603	1,556,702	139.11p
- Accumulation 'U2'	£45,140,099	35,591,403	126.83p	£37,502,996	33,211,000	112.92p
Old Mutual Woodford Equity Income Fund						
- Accumulation 'A'	£35,920,622	28,687,844	125.21p	£44,926,221	35,710,812	125.81p
- Accumulation 'U2'	£51,041,261	39,613,542	128.85p	£80,870,778	63,049,125	128.27p
- Income 'U2'	£125,384,350	106,874,132	117.32p	£142,597,682	118,572,273	120.26p

Cross Holdings

There were no cross holdings held by the sub-funds throughout the year to 30 September 2017.

UCITS V Remuneration

The UCITS-related remuneration requirements to which Old Mutual Investment Management Limited ("OMIML") is subject result from the amendments to the UCITS directive that came into force on 18 March 2016. Under these requirements, certain remuneration disclosures are required by COLL 4.5.7 R(7). As the first full year of performance remuneration for OMIML will not be available until 31 December 2017, the ACD believes that such information as is presently available would not necessarily be materially relevant or reliable, or provide investors with a proper basis for comparison. Accordingly, and in line with applicable FCA guidance, the disclosures required under COLL 4.5.7 R (7) have not been included in this report.

Statement of Manager's responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Trust and of the net income and net gains or losses on the property of the Trust for the period.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then apply them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Trust and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Trust or its sub-funds or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Trust in accordance with its Trust Deed, the Prospectus and the COLL Rules.

Statement of the Trustee's Responsibilities in Respect of the Scheme and Report of the Trustee to the Unitholders of the Old Mutual MultiManager Trust

for the year from 1 October 2016 to 30 September 2017

The Trustee is responsible for the safekeeping of all property of the Trust which is entrusted to it and ensuring proper registration of tangible moveable property, and for the collection of income arising from all such scheme property.

It is the duty of the Trustee to take reasonable care to ensure that the Trust is managed and operated in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the Sourcebook"), the Financial Services and Markets Act 2000, as amended, and the Trust Deed and the Prospectus of the Trust, concerning: the pricing of and dealing in Trust Units; the application of income of the scheme; and the Trust investment portfolio and borrowing activities.

Having carried out procedures and enquiries considered duly necessary to discharge our responsibilities as Trustee of the scheme, based on information and explanations provided to us, we believe that, in all material respects, the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the scheme's units and the application of the scheme's income in accordance with the Sourcebook, the Trust Deed and Prospectus;
- (ii) has observed the investment and borrowing powers and restrictions applicable to the scheme; and
- (iii) has, otherwise, ensured the proper operation of the Trust.

Citibank Europe plc, UK Branch
Trustee
11 December 2017

Independent Auditor's Report to the Unitholders of Old Mutual MultiManager Trust (the "Trust")

Opinion

We have audited the financial statements of the Trust for the year ended 30 September 2017 which comprise the *Statements of Total Return, the Statements of Change in Net Assets Attributable to Unitholders, the Balance Sheets, the Related Notes and Distribution Tables* for each of the Trust's sub-funds listed on pages 2 and 3 and the accounting policies set out on pages 211 to 212.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the financial position of each of the sub-funds as at 30 September 2017 and of the net revenue of revenue and the net capital gains/net capital losses on the property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in Manager's Report for the financial year is consistent with the financial statements.

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

Manager's responsibilities

As explained more fully in their statement set out on page 8, the Manager is responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

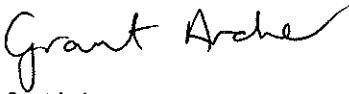
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Unitholders of Old Mutual MultiManager Trust (the "Trust")

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Trust's unitholders, 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 section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Trust's unitholders 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 Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Archer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

11 December 2017

Old Mutual Artemis Income Fund

Launch date	27 March 2013
IA Sector	UK Equity Income
Investment adviser	Artemis Investment Management LLP
Net asset value	£189,199,095

Objective

To achieve a rising income combined with capital growth from a portfolio primarily made up of investments in the United Kingdom.

Policy

The Investment Adviser actively manages the portfolio in order to achieve the objective with exposure to ordinary shares, preference shares, convertibles and fixed interest securities. The Investment Adviser will not be restricted in respect of choice of investments either by company size or industry, or in terms of the geographical split of the portfolio. The sub-fund may also invest in other transferable securities, units of collective investment schemes, money market instruments, warrants, cash and near cash, derivatives and forward transactions and other investments to the extent that each is permitted by the FCA Rules.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's review

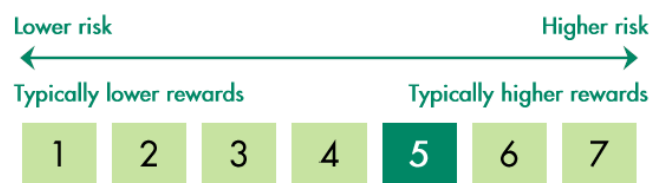
The UK equity market continued to advance over the year. The weakness of Sterling was the main factor affecting the relative performance of stocks and sectors. Mining stocks gained noticeably against the wider market. And in the banking sector, HSBC, a dollar earner, stood out versus its peers.

The biggest purchase over the year was Tesco. We have been rightly wary of the supermarkets for many years and, were it not for Tesco's proposed purchase of Booker, that caution would continue. On its own, Tesco has a credible recovery plan that it is executing well. By driving more volume through its stores, it pleases its suppliers who then reward it with better terms, enabling Tesco to offer better prices attracting shoppers and so increasing sales volumes which coupled with the help from remedying past mismanagement, this constitutes a good story. Moreover, the Booker deal, if it can be completed, will take Tesco from a large share of the £110 billion food retail market and into the broader £200 billion food service market. So it has room to grow and so make better use of the combined company's existing assets to deliver that growth, making it more profitable.

We used weakness in BAT's shares to start a holding. Its acquisition of Reynolds is supportive for the dividend, and brings needed new products. We also bought Scandinavian bank Nordea, which has high and strong capital ratios and its business is diversified by activity and country. Our major sales included BAE Systems and Lockheed, despite some saying that the defence industry will benefit from higher spending under a Trump presidency. In both cases, valuation was the key factor.

We remain cautious about buying companies with exposure to the domestic UK economy, which looks set for a weaker period as the Bank of England slows the rate at which credit is expanding. At the same time, there seems to be a greater pressure on costs in general and labour in particular. Having said that, because of its politics and Brexit, the UK market has become something of a pariah; which means our less domestically focused and international companies look at good value in a wider context. As a result, we would not be surprised to see some better performance here as international investors start to make finer distinctions between companies.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

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

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

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 units may rise and fall as a result of exchange rate movements between these currencies.

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

Capital erosion risk - the sub-fund takes its charges from the 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.

Performance Records

Comparative Tables

Income 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	112.94	107.36	110.35
Return before operating charges*	13.99	11.79	2.96
Operating charges**	(1.82)	(1.69)	(1.76)
Return after operating charges*	12.17	10.10	1.20
Distributions	(4.70)	(4.52)	(4.19)
Retained distributions	-	-	-
Closing asset value per unit	120.41	112.94	107.36
* after direct transaction costs of***	0.20	0.24	0.29
Performance			
Return after charges	10.78%	9.41%	1.09%
Other information			
Closing net asset value (£)	66,195,389	72,037,989	77,661,244
Closing number of units	54,975,540	63,785,959	72,339,016
Operating charges****	1.54%	1.54%	1.55%
Direct transaction costs***	0.17%	0.21%	0.25%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	125.5	118.2	121.4
Lowest unit price	110.2	100.1	101.9

Accumulation 'U2'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	115.89	104.90	102.95
Return before operating charges*	14.50	11.74	2.71
Operating charges**	(0.85)	(0.75)	(0.76)
Return after operating charges*	13.65	10.99	1.95
Distributions	(4.89)	(4.49)	(3.97)
Retained distributions	4.89	4.49	3.97
Closing asset value per unit	129.54	115.89	104.90
* after direct transaction costs of***	0.21	0.23	0.27
Performance			
Return after charges	11.78%	10.48%	1.89%
Other information			
Closing net asset value (£)	122,864,822	126,698,844	68,177,759
Closing number of units	94,845,806	109,331,501	64,994,582
Operating charges****	0.69%	0.69%	0.70%
Direct transaction costs***	0.17%	0.21%	0.25%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	131.8	118.5	115.5
Lowest unit price	113.2	98.13	95.11

Comparative Tables (continued)

Income 'U2'	1 October 2016 to 30 September 2017	1 October 2015 to 30 September 2016	1 October 2014 to 30 September 2015
	p/unit	p/unit	p/unit
Change in net assets per unit			
Opening net asset value per unit	107.15	100.97	102.90
Return before operating charges*	13.34	11.17	2.75
Operating charges**	(0.78)	(0.72)	(0.75)
Return after operating charges*	12.56	10.45	2.00
Distributions	(4.49)	(4.27)	(3.93)
Retained distributions	-	-	-
Closing asset value per unit	115.22	107.15	100.97
* after direct transaction costs of***	0.19	0.22	0.27
Performance			
Return after charges	11.72%	10.35%	1.94%
Other information			
Closing net asset value (£)	138,884	138,844	64,681
Closing number of units	120,537	129,582	64,057
Operating charges****	0.69%	0.69%	0.70%
Direct transaction costs***	0.17%	0.21%	0.25%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	119.9	112.1	113.8
Lowest unit price	104.7	94.47	95.07

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs. Since the sub-fund invests less than 10% of net assets in underlying sub-funds there is no inclusion of a synthetic element for underlying sub-funds OCF.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Artemis Income Fund*	5.00%	11.76%	25.68%	-
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK Equity Income (sector average)	3.74%	10.84%	28.71%	69.14%
Quartile ranking	2	2	3	-

* Accumulation 'U2' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation

		Overseas:	
UK Equities	82.01%	Netherlands	5.23%
European Equities	13.38%	Germany	4.63%
North American Equities	0.54%	Sweden	1.75%
Derivatives	(0.06)%	Switzerland	0.84%
		Spain	0.57%
Net other assets	4.13%	United States	0.54%
		France	0.36%
Total	100.00%		
		Net other assets	4.13%

Portfolio allocation

		Total	100.00%
United Kingdom:		Major holdings	Percentage of portfolio
Life Insurance	7.77%	BP	4.47%
Financial Services	7.63%	3i	4.04%
Banks	7.52%	RELX (UK Listing)	3.53%
Media	7.05%	Royal Dutch Shell 'B'	3.34%
Pharmaceuticals & Biotechnology	6.81%	GlaxoSmithKline	3.28%
Real Estate Investment Trusts	5.80%	Lloyds Banking	3.04%
Tobacco	4.64%	Informa	3.02%
Oil & Gas Producers	4.47%	Aviva	3.02%
Nonlife Insurance	4.09%	Imperial Brands	2.98%
Mobile Telecommunications	3.77%	Bayer	2.91%
Mining	2.88%		
General Retailers	2.67%	Number of holdings	57
Travel & Leisure	2.09%		
Support Services	1.97%		
Fixed Line Telecommunications	1.66%		
Industrial Transportation	1.65%		
Food & Drug Retailers	1.56%		
Construction & Materials	1.50%		
Aerospace & Defence	1.48%		
Technology Hardware & Equipment	1.12%		
Investment Funds	0.93%		
Household Goods & Home Construction	0.91%		
Equity Investment Instruments	0.78%		
Gas, Water & Multiutilities	0.72%		
Electricity	0.54%		
UK Derivatives	(0.06)%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 81.95% (30 September 2016 79.32%)		
	Sterling Denominated Fixed Rate Corporate Bonds 0.00% (30 September 2016 0.20%)		
	United Kingdom Equities 82.01% (30 September 2016 79.11%)		
	Aerospace & Defence 1.48% (30 September 2016 3.24%)		
1,918,721	Cobham	2,805	1.48
		2,805	1.48
	Banks 7.52% (30 September 2016 6.02%)		
1,894,538	Barclays	3,638	1.92
659,122	HSBC (UK Listing)	4,838	2.56
8,530,010	Lloyds Banking	5,757	3.04
		14,233	7.52
	Construction & Materials 1.50% (30 September 2016 1.26%)		
1,334,838	Melrose Industries	2,827	1.50
		2,827	1.50
	Electricity 0.54% (30 September 2016 0.42%)		
330,678	Drax	1,029	0.54
		1,029	0.54
	Equity Investment Instruments 0.78% (30 September 2016 0.83%)		
35,500	Ecofin Global Utilities and Infrastructure Trust	46	0.02
1,272,000	NextEnergy Solar Fund	1,428	0.76
		1,474	0.78
	Financial Services 7.63% (30 September 2016 7.56%)		
835,292	3i	7,635	4.04
397,468	IG	2,542	1.34
74,404	London Stock Exchange	2,836	1.50
215,003	NEX	1,419	0.75
		14,432	7.63
	Fixed Line Telecommunications 1.66% (30 September 2016 3.14%)		
1,104,765	BT	3,143	1.66
		3,143	1.66
	Food & Drug Retailers 1.56% (30 September 2016 0.00%)		
1,572,008	Tesco	2,948	1.56
		2,948	1.56
	Gas, Water & Multiutilities 0.72% (30 September 2016 1.97%)		
730,203	Centrica	1,366	0.72
		1,366	0.72
	General Retailers 2.67% (30 September 2016 3.62%)		
583,515	Card Factory	1,748	0.92
134,575	Halfords	469	0.25
1,448,867	Saga	2,840	1.50
		5,057	2.67

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Household Goods & Home Construction 0.91% (30 September 2016 2.09%)		
46,416	Berkeley	1,720	0.91
		<u>1,720</u>	<u>0.91</u>
	Industrial Transportation 1.65% (30 September 2016 2.26%)		
413,996	BBA Aviation	1,238	0.65
491,098	Royal Mail	1,889	1.00
		<u>3,127</u>	<u>1.65</u>
	Investment Funds 0.93% (30 September 2016 0.79%)		
1,367,934	Artemis Global Income Fund - I Accumulation	1,768	0.93
		<u>1,768</u>	<u>0.93</u>
	Life Insurance 7.77% (30 September 2016 6.43%)		
1,105,624	Aviva	5,711	3.02
1,347,866	Legal & General	3,515	1.86
361,249	Phoenix	2,718	1.43
639,384	Standard Life	2,759	1.46
		<u>14,703</u>	<u>7.77</u>
	Media 7.05% (30 September 2016 7.35%)		
858,879	Informa	5,720	3.02
60,219	RELX (Dutch Listing)	952	0.50
408,649	RELX (UK Listing)	6,669	3.53
		<u>13,341</u>	<u>7.05</u>
	Mining 2.88% (30 September 2016 2.21%)		
156,450	Rio Tinto (UK Listing)	5,442	2.88
		<u>5,442</u>	<u>2.88</u>
	Mobile Telecommunications 3.77% (30 September 2016 3.57%)		
380,813	Inmarsat	2,420	1.28
2,265,792	Vodafone	4,716	2.49
		<u>7,136</u>	<u>3.77</u>
	Nonlife Insurance 4.09% (30 September 2016 3.72%)		
1,234,961	Direct Line Insurance	4,522	2.39
513,657	RSA Insurance	3,210	1.70
		<u>7,732</u>	<u>4.09</u>
	Oil & Gas Producers 4.47% (30 September 2016 3.94%)		
1,767,461	BP	8,461	4.47
		<u>8,461</u>	<u>4.47</u>
	Pharmaceuticals & Biotechnology 6.81% (30 September 2016 7.13%)		
100,952	AstraZeneca (UK Listing)	4,971	2.63
415,801	GlaxoSmithKline	6,212	3.28
502,546	Indivior	1,705	0.90
		<u>12,888</u>	<u>6.81</u>

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Real Estate Investment Trusts 5.80% (30 September 2016 3.84%)		
3,475,885	Assura	2,164	1.15
901,011	Secure Income REIT	3,370	1.78
1,018,110	Segro	5,432	2.87
		10,966	5.80
	Support Services 1.97% (30 September 2016 1.48%)		
1,244,820	Rentokil Initial	3,726	1.97
		3,726	1.97
	Technology Hardware & Equipment 1.12% (30 September 2016 1.22%)		
1,483,659	Laird	2,122	1.12
		2,122	1.12
	Tobacco 4.64% (30 September 2016 3.14%)		
67,180	British American Tobacco	3,148	1.66
177,068	Imperial Brands	5,636	2.98
		8,784	4.64
	Travel & Leisure 2.09% (30 September 2016 1.88%)		
150,141	Greene King	830	0.44
575,784	SSP	3,121	1.65
		3,951	2.09
	United Kingdom Derivatives (0.06)% (30 September 2016 0.01%)		
	Sterling Denominated Forward Exchange Contracts (0.06)% (30 September 2016 0.01%)		
£11,774,235	Sterling v Euro Forward Exchange Contract	(98)	(0.05)
£2,823,188	Sterling v Swedish Krone Forward Exchange Contract	(9)	-
£1,428,541	Sterling v Swiss Franc Forward Exchange Contract	(11)	(0.01)
£451,757	Sterling v US Dollar Forward Exchange Contract	-	-
		(118)	(0.06)
	Overseas 13.92% (30 September 2016 13.76%)		
	Europe 13.38% (30 September 2016 11.35%)		
	France Equities 0.36% (30 September 2016 0.95%)		
32,700	SPIE	673	0.36
		673	0.36
	Germany Equities 4.63% (30 September 2016 4.43%)		
54,730	Bayer	5,507	2.91
39,617	Delivery Hero	1,172	0.62
164,047	TUI	2,088	1.10
		8,767	4.63
	Netherlands Equities 5.23% (30 September 2016 4.34%)		
275,345	Royal Dutch Shell 'B'	6,325	3.34
104,149	Wolters Kluwer	3,563	1.89
		9,888	5.23

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Norway Equities 0.00% (30 September 2016 0.27%)		
	Spain Equities 0.57% (30 September 2016 0.45%)		
51,115	Enagas	1,069	0.57
		<u>1,069</u>	<u>0.57</u>
	Sweden Equities 1.75% (30 September 2016 0.00%)		
329,181	Nordea Bank	3,319	1.75
		<u>3,319</u>	<u>1.75</u>
	Switzerland Equities 0.84% (30 September 2016 0.91%)		
24,793	Novartis	1,588	0.84
		<u>1,588</u>	<u>0.84</u>
	North America 0.54% (30 September 2016 2.41%)		
	United States Equities 0.54% (30 September 2016 2.41%)		
12,924	Equifax	1,027	0.54
		<u>1,027</u>	<u>0.54</u>
	Investment assets*	181,394	95.87
	Net other assets	7,805	4.13
	Net assets	189,199	100.00

* Including investment liabilities.

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

		01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
	Notes				
Income					
Net capital gains	2		17,613		11,932
Revenue	3	8,173		7,022	
Expenses	4	(1,955)		(1,773)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		6,217		5,248	
Taxation	6	(69)		(83)	
Net revenue after taxation			6,148		5,165
Total return before distributions			23,761		17,097
Distributions	7		(7,986)		(6,851)
Change in net assets attributable to unitholders from investment activities			15,775		10,246

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		198,876		145,904
Amounts received on issue of units	65,479		61,888	
Amounts paid on cancellation of units	(96,369)		(23,809)	
		(30,890)		38,079
Dilution adjustment		318		289
Change in net assets attributable to unitholders from investment activities		15,775		10,246
Retained distribution on accumulation units		5,120		4,358
Closing net assets attributable to unitholders		189,199		198,876

The notes on pages 22 to 30 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		181,512	185,119
Current assets			
Debtors	8	1,488	1,063
Cash and bank balances	9	8,245	15,559
Total assets		191,245	201,741
Liabilities			
Investment liabilities		(118)	(13)
Creditors			
Bank overdrafts	10	-	(286)
Distribution payable		(1,525)	(1,696)
Other creditors	11	(403)	(870)
Total liabilities		(2,046)	(2,865)
Net assets attributable to unitholders		189,199	198,876

The notes on pages 22 to 30 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Artemis Income Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Losses on forward currency contracts

(Losses)/gains on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
17,864	14,251
(88)	(2,363)
(153)	54
(10)	(10)
17,613	11,932

3 Revenue

Authorised Corporate Director's capitalised fee rebate

Bank interest

Interest on debt securities

Non-taxable overseas dividends

UK dividends

UK REIT dividends

Underwriting commission

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
13	10
2	24
8	77
998	817
6,905	6,017
230	77
17	-
8,173	7,022

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Fixed expense rebate*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1,889	1,722
270	240
(204)	(189)
1,955	1,773

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Fixed expense rebate related to a percentage of the fixed expenses refunded back to the sub-fund by the Manager to reduce the overall fees being charged. This is currently 0.11% on all share classes. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Interest payable and similar charges

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Bank overdraft interest	1	1
Total interest payable and similar charges	1	1

6 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	69	83
Total current tax charge for the year	69	83
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	69	83

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	6,217	5,248
Corporation tax at 20% (30 September 2016: 20%)	1,243	1,050
Effects of:		
Excess management expenses for which no relief taken	338	317
Revenue not subject to taxation – UK	(1,381)	(1,204)
Non-taxable overseas dividends	(200)	(163)
Overseas tax suffered	69	83
Total tax charge for the year (see note 6(a))	69	83

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £7,196,030 (30 September 2016: £5,510,391), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

7 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
First Interim – Accumulation units (31 March)	2,371	1,455
First Interim – Income units (31 March)	1,136	1,281
Final – Accumulation units (30 September)	2,749	2,903
Final – Income units (30 September)	1,525	1,696
	7,781	7,335
Revenue deducted on cancellation of units	876	231
Revenue received on issue of units	(671)	(715)
Distributions	7,986	6,851
Reconciliation of distributions:		
Net revenue after taxation	6,148	5,165
Authorised Corporate Director's capitalised fee rebate	(13)	(11)
Capitalised fees	1,889	1,722
Tax relief on capitalised fees	(38)	(25)
Distributions	7,986	6,851

Details of the interim and final distributions per unit are set out in the tables on page 31.

8 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued Authorised Corporate Director's fee rebates	3	3
Accrued revenue	464	425
Amounts receivable for issue of units	881	567
Overseas tax recoverable	94	66
Sales awaiting settlement	46	2
Total debtors	1,488	1,063

9 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	8,245	15,559
Total cash and bank balances	8,245	15,559

10 Bank overdrafts

	30.09.17 £'000	30.09.16 £'000
Cash and bank overdrafts	-	286
Total overdrafts	-	286

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	296	322
Accrued expenses	12	17
Amounts payable for cancellation of units	95	94
Purchases awaiting settlement	-	437
Total creditors	403	870

12 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 20. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

13 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

Fixed income securities and variable rate securities.

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

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

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

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

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

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

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Derivatives and other financial instruments (continued)

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures* 30.09.17 £'000	Non-monetary exposures 30.09.17 £'000	Total 30.09.17 £'000	Monetary exposures* 30.09.16 £'000	Non-monetary exposures 30.09.16 £'000	Total 30.09.16 £'000
Euro	195	1,065	1,260	31	1,331	1,362
Norwegian Krone	4	-	4	(90)	130	40
Swedish Krona	-	487	487	-	-	-
Swiss Franc	13	148	161	(266)	119	(147)
US Dollar	73	575	648	(271)	428	157
Total	285	2,275	2,560	(596)	2,008	1,412

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £128,007 or 0.07% (30 September 2016: £70,584 or 0.04%). A 5% decrease would have an equal and opposite effect.

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 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Euro	71	-	13,061	13,132
Norwegian Krone	-	-	4	4
Sterling	8,174	-	180,394	188,568
Swedish Krona	-	-	3,319	3,319
Swiss Franc	-	-	1,601	1,601
US Dollar	-	-	1,100	1,100
Total	8,245	-	199,479	207,724

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	-	-	11,587	11,587
Norwegian Krone	-	-	547	547
Sterling	15,528	427	183,639	199,594
Swiss Franc	-	-	1,826	1,826
US Dollar	3	-	4,859	4,862
Total	15,531	427	202,458	218,416

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 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
30.09.17			
Euro	-	(11,872)	(11,872)
Sterling	-	(1,929)	(1,929)
Swedish Krona	-	(2,832)	(2,832)
Swiss Franc	-	(1,440)	(1,440)
US Dollar	-	(452)	(452)
Total	-	(18,525)	(18,525)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Euro	-	(10,225)	(10,225)
Norwegian Krone	-	(507)	(507)
Sterling	-	(2,130)	(2,130)
Swiss Franc	(286)	(1,687)	(1,973)
US Dollar	-	(4,705)	(4,705)
Total	(286)	(19,254)	(19,540)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

As at 30 September 2017 the sub-fund is only exposed to Investment Grade bonds.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Derivatives and other financial instruments (continued)

e) Counterparty risk

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

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

	Credit default swaps exposure	Interest rate swaps exposure	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral pledged
Exposure Table 30.09.17					
Counterparty	£'000	£'000	£'000	£'000	£'000
UBS	-	-	-	-	-
Exposure Table 30.09.16					
Counterparty	£'000	£'000	£'000	£'000	£'000
UBS	-	-	-	10	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

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 unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £9,069,725 or 4.79% (30 September 2016: £9,255,325 or 4.65%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	179,744	-	182,543	-
Level 2: Observable market data	1,768	(118)	1,984	(13)
Level 3: Unobservable data	-	-	592	-
Total	181,512	(118)	185,119	(13)

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual Artemis Income Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

14 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

15 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Bonds
Equities
Collective Investment Schemes
Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
-	-	-	-	-
56,660	60	0.11%	218	0.38%
381	-	-	-	-
3,351	-	-	-	-
60,392	60		218	
60,670				

30.09.16

Bonds
Equities
Collective Investment Schemes
Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
2,062	-	-	-	-
67,985	58	0.09%	259	0.38%
304	-	-	-	-
2,100	-	-	-	-
72,451	58		259	
72,768				

Analysis of total sale costs

30.09.17

Bonds
Equities
Collective Investment Schemes

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
399	-	-	-	-
81,189	60	0.07%	-	-
645	-	0.01%	-	-
82,233	60		-	
82,173				

30.09.16

Bonds
Equities
Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
2,233	-	-	-	-
37,130	39	0.10%	1	-
1,964	-	-	-	-
41,327	39		1	
41,287				

Transaction costs as a percentage of average Net Assets

	30.09.17	30.09.16
Commissions:	0.06%	0.06%
Other costs:	0.11%	0.16%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.09% (30 September 2016: 0.10%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

16 Unitholders' funds

The sub-fund currently has three unit classes: Income 'A', Accumulation 'U2' and Income 'U2'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge of each unit class are shown below.

	30.09.17	30.09.16
- Income 'A'	1.50%	1.50%
- Accumulation 'U2'	0.65%	0.65%
- Income 'U2'	0.65%	0.65%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Income 'A'	63,785,959	2,513,948	(11,324,367)	-	54,975,540
- Accumulation 'U2'	109,331,501	51,242,557	(65,728,252)	-	94,845,806
- Income 'U2'	129,582	2,542	(11,587)	-	120,537

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group1: Units purchased prior to 1 April 2017
 Group2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Income 'A' Units				
Group 1	2.7674	-	2.7674	2.6540
Group 2	1.3557	1.4117	2.7674	2.6540
Accumulation 'U2' Units				
Group 1	2.8987	-	2.8987	2.6552
Group 2	1.3664	1.5323	2.8987	2.6552
Income 'U2' Units				
Group 1	2.6455	-	2.6455	2.5076
Group 2	1.3987	1.2468	2.6455	2.5076

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Income 'A' Units				
Group 1	1.9366	-	1.9366	1.8686
Group 2	1.2126	0.7240	1.9366	1.8686
Accumulation 'U2' Units				
Group 1	1.9922	-	1.9922	1.8309
Group 2	1.0506	0.9416	1.9922	1.8309
Income 'U2' Units				
Group 1	1.8401	-	1.8401	1.7638
Group 2	1.1139	0.7262	1.8401	1.7638

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

Old Mutual Artemis UK Special Situations Fund

Launch date	12 April 2013
IA Sector	UK All Companies
Investment adviser	Artemis Investment Management LLP
Net asset value	£96,057,274

Objective

To achieve long term capital growth by exploiting special situations.

Policy

The sub-fund invests principally in UK equities and in companies which are headquartered or have a significant part of their activities in the UK which are quoted on a regulated market outside the UK. The Investment Adviser actively manages the portfolio in order to achieve the objective and will not be restricted in respect of investment either by company size or industry. The securities of companies listed, quoted and/or traded in the UK but domiciled elsewhere and the securities of companies traded on PLUS may be included in the portfolio.

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

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's review

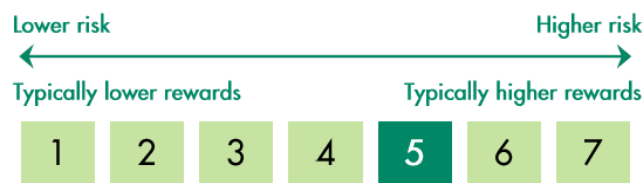
Although the UK market rose over the year, the gains were far from uniform. For much of the year, expensive growth stocks became dearer while value stocks stayed cheap; or became even cheaper. In part, this reflected a general lack of growth, so investors believe it deserves a premium. It is also due to a reluctance to buy more cyclical stocks in the later stages of the economic cycle. But it also reflects a fear of buying into a company or sector where the threat of technological disruption is high. While the retail and media industries are in the front line of disruption, Amazon, Facebook and Google cast long shadows over an increasing number of sectors. The UK market also had to deal with a number of local issues; Brexit, an unstable government and a devalued currency. This put the market's and the sub-fund's domestic earners under pressure.

We started a new holding in SIG, a distributor of insulation and roofing products. This company suffered under its previous management, which had an over complicated strategy. A new chief executive and finance director recently joined and have highlighted a number of self-help initiatives. While the shares have had a good move already, we believe there is more to come. SIG is trading at a price-to-sales ratio well below their longer term average.

We significantly reduced the position in Micro Focus. This had been our largest holding for some time and has added significant value to the sub-fund. The shares have performed strongly since the announcement of their acquisition of HP's enterprise business last September. HP's assets offer significant potential in the hands of Micro Focus's management. But investors have been quick to realise that and the shares now discount much of the upside potential.

Overall, the global economy appears relatively stable. Recent data from Europe and the US has been positive and indeed the companies we talk to suggest improved conditions in both areas. Emerging markets continue to grow apace. That leaves us with the UK; the economy is still growing, although now not as quickly as the rest of the world. The good news is that the UK stock market is an international one, so while what happens in the UK is important, companies can also benefit from the better growth elsewhere. In general, while we see little upside in the overall market, we are finding pockets of value. Investors are taking an unforgiving attitude towards any companies that disappoint, which provides opportunity.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	130.82	117.53	119.94
Return before operating charges*	10.48	15.21	(0.50)
Operating charges**	(2.11)	(1.92)	(1.91)
Return after operating charges*	8.37	13.29	(2.41)
Distributions	(1.93)	(2.11)	(1.70)
Retained distributions	1.93	2.11	1.70
Closing asset value per unit	139.19	130.82	117.53
* after direct transaction costs of***	0.67	0.63	0.68
Performance			
Return after charges	6.40%	11.31%	(2.01)%
Other information			
Closing net asset value (£)	21,034,142	24,534,763	26,879,554
Closing number of units	15,111,747	18,755,005	22,870,092
Operating charges****	1.56%	1.56%	1.57%
Direct transaction costs***	0.49%	0.51%	0.56%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	143.8	134.6	129.5
Lowest unit price	126.9	112.5	109.8
Accumulation 'U2'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	108.65	96.74	97.87
Return before operating charges*	8.75	12.59	(0.47)
Operating charges**	(0.75)	(0.68)	(0.66)
Return after operating charges*	8.00	11.91	(1.13)
Distributions	(2.62)	(2.66)	(2.31)
Retained distributions	2.62	2.66	2.31
Closing asset value per unit	116.65	108.65	96.74
* after direct transaction costs of***	0.56	0.52	0.56
Performance			
Return after charges	7.36%	12.31%	(1.15)%
Other information			
Closing net asset value (£)	75,023,132	65,493,956	29,651,406
Closing number of units	64,317,067	60,280,618	30,650,244
Operating charges****	0.66%	0.66%	0.65%
Direct transaction costs***	0.49%	0.51%	0.56%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	120.2	111.8	106.3
Lowest unit price	105.5	92.93	89.59

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Artemis UK Special Situations Fund*	2.89%	7.31%	20.35%	-
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK All Companies (sector average)	4.89%	13.67%	29.97%	69.42%
Quartile ranking	3	4	4	-

* Accumulation 'U2' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
UK Equities	91.57%	Tesco	4.93%
European Equities	2.54%	BP	4.78%
		Computacenter	4.30%
Net other assets	5.89%	Johnson Matthey	3.93%
		GlaxoSmithKline	3.77%
Total	100.00%	Prudential	3.75%
		Lloyds Banking	3.43%
Portfolio allocation		SIG	2.90%
		ITV	2.73%
United Kingdom:		BT	2.48%
Support Services	11.06%		
Software & Computer Services	9.09%	Number of holdings	53
Travel & Leisure	7.54%		
Life Insurance	5.71%		
Banks	5.68%		
Chemicals	5.49%		
Media	5.30%		
Food & Drug Retailers	4.93%		
Oil & Gas Producers	4.78%		
Construction & Materials	4.23%		
Pharmaceuticals & Biotechnology	3.77%		
Financial Services	3.21%		
Fixed Line Telecommunications	2.48%		
Nonlife Insurance	2.47%		
Oil Equipment, Services & Distribution	2.16%		
General Retailers	2.06%		
Technology Hardware & Equipment	1.81%		
Electronic & Electrical Equipment	1.78%		
Health Care Equipment & Services	1.60%		
Aerospace & Defence	1.58%		
Household Goods & Home Construction	1.42%		
Industrial Engineering	1.30%		
General Industrials	1.19%		
Equity Investment Instruments	0.93%		
Overseas:			
Netherlands	1.79%		
Gibraltar	0.75%		
Net other assets	5.89%		
Total	100.00%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 91.57% (30 September 2016 89.54%)		
	United Kingdom Equities 91.57% (30 September 2016 89.54%)		
	Aerospace & Defence 1.58% (30 September 2016 0.26%)		
1,034,662	Cobham	1,513	1.58
		<u>1,513</u>	<u>1.58</u>
	Banks 5.68% (30 September 2016 3.71%)		
1,126,261	Barclays	2,163	2.25
4,876,284	Lloyds Banking	3,291	3.43
		<u>5,454</u>	<u>5.68</u>
	Chemicals 5.49% (30 September 2016 3.98%)		
110,276	Johnson Matthey	3,781	3.93
306,540	Synthomer	1,497	1.56
		<u>5,278</u>	<u>5.49</u>
	Construction & Materials 4.23% (30 September 2016 4.31%)		
676,574	Balfour Beatty	1,815	1.89
159,473	Keller	1,312	1.37
440,566	Melrose Industries	933	0.97
		<u>4,060</u>	<u>4.23</u>
	Electronic & Electrical Equipment 1.78% (30 September 2016 3.30%)		
378,750	Morgan Advanced Materials	1,175	1.22
118,454	Xaar	539	0.56
		<u>1,714</u>	<u>1.78</u>
	Equity Investment Instruments 0.93% (30 September 2016 1.30%)		
858,327	Sherborne Investors	893	0.93
		<u>893</u>	<u>0.93</u>
	Financial Services 3.21% (30 September 2016 3.62%)		
285,236	IG	1,824	1.90
23,985	London Stock Exchange	914	0.95
52,059	NEX	344	0.36
		<u>3,082</u>	<u>3.21</u>
	Fixed Line Telecommunications 2.48% (30 September 2016 3.42%)		
836,462	BT	2,379	2.48
		<u>2,379</u>	<u>2.48</u>
	Food & Drug Retailers 4.93% (30 September 2016 3.21%)		
2,526,505	Tesco	4,737	4.93
		<u>4,737</u>	<u>4.93</u>
	Gas, Water & Multiutilities 0.00% (30 September 2016 4.58%)		
	General Industrials 1.19% (30 September 2016 0.00%)		
229,594	DS Smith	1,139	1.19
		<u>1,139</u>	<u>1.19</u>

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	General Retailers 2.06% (30 September 2016 2.96%)		
732,650	Dixons Carphone	1,389	1.44
301,825	Saga	592	0.62
		<u>1,981</u>	<u>2.06</u>
	Health Care Equipment & Services 1.60% (30 September 2016 0.97%)		
113,774	Smith & Nephew	1,540	1.60
		<u>1,540</u>	<u>1.60</u>
	Household Goods & Home Construction 1.42% (30 September 2016 0.00%)		
126,796	Bovis Homes	1,368	1.42
		<u>1,368</u>	<u>1.42</u>
	Industrial Engineering 1.30% (30 September 2016 0.00%)		
137,291	Bodycote	1,247	1.30
		<u>1,247</u>	<u>1.30</u>
	Industrial Transportation 0.00% (30 September 2016 2.29%)		
	Life Insurance 5.71% (30 September 2016 1.57%)		
365,546	Aviva	1,888	1.96
201,417	Prudential	3,598	3.75
		<u>5,486</u>	<u>5.71</u>
	Media 5.30% (30 September 2016 7.59%)		
284,494	Informa	1,895	1.97
1,511,508	ITV	2,619	2.73
94,790	Pearson	578	0.60
		<u>5,092</u>	<u>5.30</u>
	Mobile Telecommunications 0.00% (30 September 2016 2.51%)		
	Nonlife Insurance 2.47% (30 September 2016 3.98%)		
378,866	RSA Insurance	2,368	2.47
		<u>2,368</u>	<u>2.47</u>
	Oil & Gas Producers 4.78% (30 September 2016 5.07%)		
960,129	BP	4,596	4.78
		<u>4,596</u>	<u>4.78</u>
	Oil Equipment, Services & Distribution 2.16% (30 September 2016 1.28%)		
303,501	John Wood	2,071	2.16
		<u>2,071</u>	<u>2.16</u>
	Personal Goods 0.00% (30 September 2016 0.55%)		
	Pharmaceuticals & Biotechnology 3.77% (30 September 2016 4.24%)		
242,156	GlaxoSmithKline	3,618	3.77
		<u>3,618</u>	<u>3.77</u>

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Software & Computer Services 9.09% (30 September 2016 11.81%)			
424,539	Computacenter	4,129	4.30
49,129	FDM	472	0.49
36,537	Micro Focus International	879	0.92
680,966	NCC	1,454	1.51
374,972	SDL	1,800	1.87
		8,734	9.09
Support Services 11.06% (30 September 2016 2.38%)			
71,233	Capita	403	0.42
339,584	De La Rue	2,184	2.27
181,430	Essentra	989	1.03
288,023	Howden Joinery	1,244	1.30
525,277	Interserve	611	0.64
297,219	Northgate	1,280	1.33
1,566,527	SIG	2,785	2.90
2,254,800	Speedy Hire	1,127	1.17
		10,623	11.06
Technology Hardware & Equipment 1.81% (30 September 2016 2.06%)			
1,827,324	Spirent Communications	1,736	1.81
		1,736	1.81
Travel & Leisure 7.54% (30 September 2016 8.59%)			
333,844	International Consolidated Airlines (UK Listing)	1,993	2.07
136,845	Mitchells & Butlers	345	0.36
798,562	Rank	1,734	1.81
478,365	Restaurant	1,448	1.51
733,197	Stagecoach	1,248	1.30
188,302	William Hill	475	0.49
		7,243	7.54
Overseas 2.54% (30 September 2016 3.37%)			
Asia Pacific (excluding Japan) 0.00% (30 September 2016 1.03%)			
Singapore Equities 0.00% (30 September 2016 1.03%)			
Europe 2.54% (30 September 2016 0.58%)			
Gibraltar Equities 0.75% (30 September 2016 0.00%)			
281,500	888 Holdings	721	0.75
		721	0.75
Ireland Equities 0.00% (30 September 2016 0.58%)			
Netherlands Equities 1.79% (30 September 2016 0.00%)			
74,985	Royal Dutch Shell 'B'	1,722	1.79
		1,722	1.79

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	North America 0.00% (30 September 2016 1.76%)		
	United States Equities 0.00% (30 September 2016 1.76%)		
	Investment assets	90,395	94.11
	Net other assets	5,662	5.89
	Total net assets	96,057	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Note	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		4,703		7,069
Revenue	3	2,787		2,323	
Expenses	4	(797)		(684)	
Net revenue before taxation		1,990		1,639	
Taxation	5	(6)		(6)	
Net revenue after taxation			1,984		1,633
Total return before distributions			6,687		8,702
Distributions	6		(1,984)		(1,633)
Change in net assets attributable to unitholders from investment activities			4,703		7,069

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		90,029		56,531
Amounts received on issue of units	34,172		30,469	
Amounts paid on cancellation of units	(35,045)		(6,241)	
		(873)		24,228
Dilution adjustment		219		200
Change in net assets attributable to unitholders from investment activities		4,703		7,069
Retained distribution on accumulation units		1,979		2,001
Closing net assets attributable to unitholders		96,057		90,029

The notes on pages 41 to 48 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		90,395	83,642
Current assets			
Debtors	7	881	1,176
Cash and bank balances	8	6,235	6,013
Total assets		97,511	90,831
Liabilities			
Creditors			
Other creditors	9	(1,454)	(802)
Total liabilities		(1,454)	(802)
Net assets attributable to unitholders		96,057	90,029

The notes on pages 41 to 48 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Artemis UK Special Situations Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Gains/(losses) on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
4,704	7,084
5	(10)
(6)	(5)
4,703	7,069

3 Revenue

Bank interest

Non-taxable overseas dividends

Stock lending income

UK dividends

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
2	6
88	150
-	1
2,697	2,166
2,787	2,323

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Fixed expense rebate*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
749	648
130	99
(82)	(63)
797	684

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Fixed expense rebate related to a percentage of the fixed expenses refunded back to the sub-fund by the Manager to reduce the overall fees being charged. This is currently 0.09% on all share classes. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	6	6
Total current tax charge for the year	6	6
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year (see note 5(b))	6	6

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	1,990	1,639
Corporation tax at 20% (30 September 2016: 20%)	398	328
Effects of:		
Excess management expenses for which no relief taken	159	135
Revenue not subject to taxation – UK	(539)	(433)
Non-taxable overseas dividends	(18)	(30)
Overseas tax suffered	6	6
Total tax charge for the year (see note 5(a))	6	6

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £2,884,390 (30 September 2016: £2,088,314), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

6 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Final – Accumulation units (30 September)	1,979	2,001
	1,979	2,001
Revenue deducted on cancellation of units	432	41
Revenue received on issue of units	(427)	(409)
Distributions	1,984	1,633

Details of the final distributions per unit are set out in the table on page 49.

7 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	345	458
Amounts receivable for issue of units	440	300
Overseas tax recoverable	7	7
Sales awaiting settlement	89	411
Total debtors	881	1,176

8 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	6,235	6,013
Total cash and bank balances	6,235	6,013

9 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	122	126
Accrued expenses	9	9
Amounts payable for cancellation of units	70	15
Purchases awaiting settlement	1,253	652
Total creditors	1,454	802

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

10 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 39. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 7 and 9. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

Fixed income securities and variable rate securities.

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

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

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

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

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	30.09.17	30.09.17	30.09.17	30.09.16	30.09.16	30.09.16
	£'000	£'000	£'000	£'000	£'000	£'000
Euro	7	-	7	148	528	676
US Dollar	22	-	22	-	1,583	1,583
Total	29	-	29	148	2,111	2,259

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £1,484 or 0.00% (30 September 2016: £112,947 or 0.13%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Euro	-	-	7	7
Sterling	6,213	-	91,269	97,482
US Dollar	22	-	-	22
Total	6,235	-	91,276	97,511

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	103	-	573	676
Sterling	5,910	-	82,662	88,572
US Dollar	-	-	1,583	1,583
Total	6,013	-	84,818	90,831

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(1,454)	(1,454)
Total	-	(1,454)	(1,454)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	-	(802)	(802)
Total	-	(802)	(802)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Derivatives and other financial instruments (continued)

e) Counter party risk

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

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

f) Liquidity risk

The sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from the sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £4,519,761 or 4.71% (30 September 2016: £4,182,088 or 4.65%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	90,395	-	83,642	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	90,395	-	83,642	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual Artemis UK Special Situations Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities

Collective investment Schemes

Corporate actions

Total**Total purchases including transaction costs**

Value £'000	Commissions £'000	%	Other costs £'000	%
75,307	52	0.07%	345	0.46%
844	1	0.07%	4	0.50%
1,156	-	-	-	-
77,307	53		349	
77,709				

30.09.16

Equities

Corporate actions

Total**Total purchases including transaction costs**

Value £'000	Commissions £'000	%	Other costs £'000	%
57,979	51	0.09%	270	0.47%
580	-	-	-	-
58,559	51		270	
58,880				

Analysis of total sale costs

30.09.17

Equities

Collective investment Schemes

Corporate actions

Total**Total sales including transaction costs**

Value £'000	Commissions £'000	%	Other costs £'000	%
70,234	45	0.06%	1	-
882	-	-	-	-
4,587	-	-	-	-
75,703	45		1	
75,657				

30.09.16

Equities

Corporate actions

Total**Total sales including transaction costs**

Value £'000	Commissions £'000	%	Other costs £'000	%
34,905	31	0.09%	-	-
1,473	-	-	-	-
36,378	31		-	
36,347				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.11%	0.12%
0.38%	0.39%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.21% (30 September 2016: 0.29%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Unitholders' funds

The sub-fund currently has two unit classes; Accumulation 'A' and Accumulation 'U2'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.50%	1.50%
- Accumulation 'U2'	0.60%	0.60%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	18,755,005	140,100	(3,783,358)	-	15,111,747
- Accumulation 'U2'	60,280,618	30,414,830	(26,378,381)	-	64,317,067

15 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group1: Units purchased prior to 1 October 2016
 Group2: Units purchased from 1 October 2016 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	1.9315	-	1.9315	2.1110
Group 2	1.3645	0.5670	1.9315	2.1110
Accumulation 'U2' Units				
Group 1	2.6230	-	2.6230	2.6632
Group 2	1.2484	1.3746	2.6230	2.6632

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

Old Mutual Equity 1 Fund

Launch date	19 October 2004
IA Sector	UK All Companies
Investment adviser	Old Mutual Global Investors (UK) Limited
Net asset value	£128,857,435
Objective	

To maximise capital growth through investment in a focused portfolio of predominantly UK equities.

Policy

Investment will be in a portfolio of predominantly UK equities, either directly in transferable securities or through collective investment schemes, including those managed and operated by the Manager.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's Review

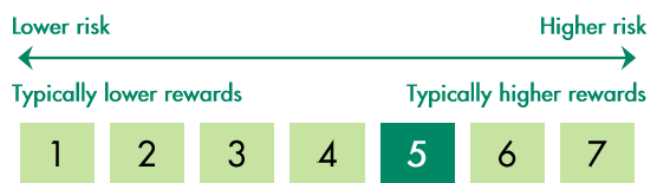
The sub-fund performed very strongly in the period, returning 29.0% versus its reference benchmark, the FTSE 250 ex Investment Trusts, which returned 14.2%. The strong performance of the benchmark reflected increased confidence in the ability of the UK economy to withstand an economic shock following the EU Referendum result. In the aftermath of the Leave vote the UK mid cap market sold off aggressively on recession fears. As it became apparent that these fears were overdone, the benchmark recovered strongly through to the end of 2016 and into 2017. The sub-fund's outperformance was primarily driven by good stock selection. Good contributions came from positions in boohoo.com, FeverTree, SSP, Paysafe, Ashtead and Melrose Industries. On the negative side, RPC and Pets At Home were the biggest detractors.

Central bankers have recently emphasised – it would seem in an increasingly co-ordinated manner – that the era of easy money is coming to an end. Their rhetoric has elicited a market reaction in spite of the significant conditionality within the language used. As we look forward, it seems increasingly likely that markets will be influenced by the interplay between the strength of global growth and the likely pace of monetary policy normalization. This signifies uncertain consequences for the nature of thematic leadership across equity markets. In the UK, we will also have to contend with the overlay of Brexit-related 'noise'. Whilst this will merely reflect posturing and negotiating tactics, rather than giving any indication as to the likely outcome, it could nonetheless cause rotational volatility within the market.

Whilst it appears that central banks will pursue a policy of raising interest rates, we think the pace of increases will likely be shallow. So we expect a moderate economic growth, low inflation and a generally low interest rate environment from here. In this context, a 15x 12 month forward PE multiple for the UK mid cap market is not expensive in our view. That's not to say that this multiple will expand but with a 3% dividend yield and FTSE 250 earnings growth of around 8% per annum expected in 2017 and 2018, that's an 11% total return, which is pretty attractive in a historical context.

Mindful of the uncertain outlook for thematic leadership across equity markets, in our view, we are maintaining a relatively balanced sector and thematic set of stances across the portfolio, deliberately avoiding significant macroeconomic bets. Instead, we are looking to stock selection as the primary means by which to add value.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

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

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	128.58	114.46	92.02
Return before operating charges*	38.83	15.40	23.61
Operating charges**	(1.60)	(1.28)	(1.17)
Return after operating charges*	37.23	14.12	22.44
Distributions	(1.45)	(1.18)	(1.10)
Retained distributions	1.45	1.18	1.10
Closing asset value per unit	165.81	128.58	114.46
* after direct transaction costs of***	0.31	0.20	0.23
Performance			
Return after charges	28.95%	12.34%	24.39%
Other information			
Closing net asset value (£)	128,857,435	123,044,964	119,930,965
Closing number of units	77,715,088	95,697,248	104,778,950
Operating charges****	1.09%	1.09%	1.10%
Direct transaction costs****	0.21%	0.17%	0.21%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	169.6	130.1	118.0
Lowest unit price	126.4	104.2	84.03

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Equity 1 Fund*	13.27%	28.97%	80.20%	165.90%
FTSE 250 ex-IT (benchmark)	6.84%	14.16%	39.79%	95.75%
IA UK All Companies (sector average)	4.89%	13.67%	29.97%	69.42%
Quartile ranking	1	1	1	1

* Accumulation 'A' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
UK Equities	99.32%	boohoo.com	8.23%
European Equities	1.57%	Ascential	5.59%
Net Other Assets	(0.89)%	Paysafe	5.37%
		SSP	4.69%
Total	100.00%	Fevertree Drinks	3.84%
		3i	3.70%
Portfolio allocation		Workspace	3.42%
		Rentokil Initial	3.25%
United Kingdom:		Ashtead	3.12%
Support Services	17.86%	HomeServe	3.10%
General Retailers	13.63%		
Financial Services	12.44%	Number of holdings	39
Media	7.39%		
Real Estate Investment Trusts	6.23%		
Software & Computer Services	5.16%		
Real Estate Investment & Services	4.98%		
Household Goods & Home Construction	4.84%		
Travel & Leisure	4.69%		
Industrial Engineering	4.57%		
Beverages	3.84%		
Personal Goods	2.89%		
Life Insurance	2.52%		
Pharmaceuticals & Biotechnology	2.40%		
Construction & Materials	2.29%		
Chemicals	2.21%		
General Industrials	1.38%		
Overseas:			
Ireland	1.57%		
Net other assets	(0.89)%		
Total	100.00%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 99.32% (30 September 2016 98.38%)		
	United Kingdom Equities 99.32% (30 September 2016 98.38%)		
	Aerospace & Defence 0.00% (30 September 2016 0.77%)		
	Banks 0.00% (30 September 2016 2.15%)		
	Beverages 3.84% (30 September 2016 1.92%)		
226,788	Fevertree Drinks	4,953	3.84
		4,953	3.84
	Chemicals 2.21% (30 September 2016 1.21%)		
582,558	Synthomer	2,845	2.21
		2,845	2.21
	Construction & Materials 2.29% (30 September 2016 4.62%)		
1,396,000	Melrose Industries	2,957	2.29
		2,957	2.29
	Electronic & Electrical Equipment 0.00% (30 September 2016 1.53%)		
	Financial Services 12.44% (30 September 2016 5.33%)		
522,223	3i	4,773	3.70
265,920	Burford Capital	2,686	2.09
304,000	Jupiter Fund Management	1,661	1.29
858,836	OneSavings Bank	3,456	2.68
665,591	TP ICAP	3,448	2.68
		16,024	12.44
	Food & Drug Retailers 0.00% (30 September 2016 1.66%)		
	General Industrials 1.38% (30 September 2016 4.78%)		
303,000	Vesuvius	1,774	1.38
		1,774	1.38
	General Retailers 13.63% (30 September 2016 18.12%)		
5,034,000	boohoo.com	10,609	8.23
465,945	Card Factory	1,395	1.08
608,953	JD Sports Fashion	2,291	1.78
1,500,885	Pets at Home	3,267	2.54
		17,562	13.63
	Household Goods & Home Construction 4.84% (30 September 2016 5.76%)		
472,437	Barratt Developments	2,884	2.24
1,734,896	Taylor Wimpey	3,352	2.60
		6,236	4.84
	Industrial Engineering 4.57% (30 September 2016 1.56%)		
437,573	Bodycote	3,975	3.08
98,000	Weir	1,917	1.49
		5,892	4.57

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Life Insurance 2.52% (30 September 2016 1.95%)			
283,000	St James's Place	3,252	2.52
		3,252	2.52
Media 7.39% (30 September 2016 7.92%)			
2,067,990	Ascential	7,207	5.59
592,066	Auto Trader	2,321	1.80
		9,528	7.39
Oil & Gas Producers 0.00% (30 September 2016 1.18%)			
Personal Goods 2.89% (30 September 2016 2.54%)			
219,348	SuperGroup	3,722	2.89
		3,722	2.89
Pharmaceuticals & Biotechnology 2.40% (30 September 2016 0.00%)			
913,445	Indivior	3,098	2.40
		3,098	2.40
Real Estate Investment & Services 4.98% (30 September 2016 3.81%)			
773,987	Capital & Counties Properties	2,036	1.58
718,700	Purplebricks	2,681	2.08
184,619	Savills	1,700	1.32
		6,417	4.98
Real Estate Investment Trusts 6.23% (30 September 2016 6.69%)			
281,951	Big Yellow	2,132	1.65
220,704	Unite	1,501	1.16
498,931	Workspace	4,401	3.42
		8,034	6.23
Software & Computer Services 5.16% (30 September 2016 5.99%)			
231,780	Alfa Financial Software	1,154	0.90
164,351	Blue Prism	1,658	1.29
159,300	Micro Focus International	3,831	2.97
		6,643	5.16
Support Services 17.86% (30 September 2016 15.40%)			
222,639	Ashtead	4,019	3.12
318,000	Capita	1,800	1.40
336,683	Electrocomponents	2,091	1.62
480,315	HomeServe	3,996	3.10
1,188,778	Paysafe	6,925	5.37
1,397,000	Rentokil Initial	4,181	3.25
		23,012	17.86
Travel & Leisure 4.69% (30 September 2016 3.49%)			
1,114,000	SSP	6,038	4.69
		6,038	4.69

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 1.57% (30 September 2016 2.00%)		
	Europe 1.57% (30 September 2016 2.00%)		
	Ireland Equities 1.57% (30 September 2016 2.00%)		
1,044,000	Greencore	2,019	1.57
		2,019	1.57
	Investment assets	130,006	100.89
	Net other liabilities	(1,149)	(0.89)
	Total net assets	128,857	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		31,442		11,862
Revenue	3	2,656		2,494	
Expenses	4	(1,395)		(1,289)	
Interest payable and similar charges	5	(8)		(2)	
Net revenue before taxation		1,253		1,203	
Taxation	6	-		(6)	
Net revenue after taxation			1,253		1,197
Total return before distributions			32,695		13,059
Distributions	7		(1,253)		(1,197)
Change in net assets attributable to unitholders from investment activities			31,442		11,862

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		123,045		119,931
Amounts received on issue of units	5,528		9,305	
Amounts paid on cancellation of units	(32,354)		(19,224)	
		(26,826)		(9,919)
Dilution adjustment		49		26
Change in net assets attributable to unitholders from investment activities		31,442		11,862
Retained distribution on accumulation units		1,147		1,145
Closing net assets attributable to unitholders		128,857		123,045

The notes on pages 58 to 64 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		130,006	123,519
Current assets			
Debtors	8	133	216
Cash and bank balances	9	1	-
Total assets		130,140	123,735
Liabilities			
Creditors			
Bank overdrafts	10	(1,006)	(116)
Other creditors	11	(277)	(574)
Total liabilities		(1,283)	(690)
Net assets attributable to unitholders		128,857	123,045

The notes on pages 58 to 64 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Equity 1 Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Losses on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
31,447	11,870
-	(3)
(5)	(5)
31,442	11,862

3 Revenue

Bank interest

Non-taxable overseas dividends

UK dividends

UK REIT dividends

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
-	9
34	44
2,422	2,324
200	117
2,656	2,494

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1,291	1,192
104	97
1,395	1,289

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Interest payable and similar charges

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Bank overdraft interest	8	2
Total interest payable and similar charges	8	2

6 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	-	6
Total current tax charge for the year	-	6
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	-	6

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	1,253	1,203
Corporation tax at 20% (30 September 2016: 20%)	251	241
Effects of:		
Excess management expenses for which no relief taken	240	233
Revenue not subject to taxation – UK	(484)	(465)
Non-taxable overseas dividends	(7)	(9)
Overseas tax suffered	-	6
Total tax charge for the year (see note 6(a))	-	6

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £17,005,535 (30 September 2016: £15,802,457), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

7 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Interim – Accumulation units (31 March)	194	347
Final – Accumulation units (30 September)	953	798
	<u>1,147</u>	<u>1,145</u>
Revenue deducted on cancellation of units	119	77
Revenue received on issue of units	(13)	(25)
Distributions	1,253	1,197

Details of the interim and final distributions per unit are set out in the tables on page 65.

8 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	95	185
Amounts receivable for issue of units	38	25
Overseas tax recoverable	-	-
Sales awaiting settlement	-	6
Total debtors	133	216

9 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	1	-
Total cash and bank balances	1	-

10 Bank overdrafts

	30.09.17 £'000	30.09.16 £'000
Cash and bank overdrafts	1,006	116
Total overdrafts	1,006	116

11 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	215	202
Accrued expenses	18	17
Amounts payable for cancellation of units	42	5
Purchases awaiting settlement	2	350
Total other creditors	277	574

12 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 56. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 11.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

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

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

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

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

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

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

b) Foreign currency risk

The sub-fund had no exposure to foreign currency at the Balance sheet date (30 September 2016: £Nil).

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Sterling	-	-	130,140	130,140
Total	-	-	130,140	130,140

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Sterling	-	-	123,735	123,735
Total	-	-	123,735	123,735

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 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
30.09.17			
Sterling	(1,006)	(277)	(1,283)
Total	(1,006)	(277)	(1,283)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	(116)	(574)	(690)
Total	(116)	(574)	(690)

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

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £6,500,324 or 5.04% (30 September 2016: £6,175,927 or 5.02%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Derivatives and other financial instruments (continued)

h) Fair value of financial assets and financial liabilities

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

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	130,006	-	123,519	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	130,006	-	123,519	-

i) Global exposure

The Investment Adviser assesses the market risk of the Old Mutual UK Equity 1 Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

14 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
43,607	32	0.07%	192	0.44%
1,176	-	-	-	-
44,783	32		192	
45,007				

30.09.16

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
32,478	29	0.09%	134	0.41%
2,987	-	-	-	-
35,465	29		134	
35,628				

Analysis of total sale costs

30.09.17

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
65,576	49	0.08%	-	-
4,440	-	-	-	-
70,016	49		-	
69,967				

30.09.16

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
44,227	38	0.09%	-	-
14	-	-	-	-
44,241	38		-	
44,203				

Transaction costs as a percentage of average Net Assets

	30.09.17	30.09.16
Commissions:	0.06%	0.06%
Other costs:	0.15%	0.11%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.13% (30 September 2016: 0.15%).

15 Unitholders' funds

The sub-fund currently has one unit class; Accumulation 'A'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit class currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.00%	1.00%

Unit class movement reconciliation

- Accumulation 'A'

Opening	Issued	Redeemed	Converted	Closing
95,697,248	3,659,524	(21,641,684)	-	77,715,088

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	1.2263	-	1.2263	0.8338
Group 2	0.7502	0.4761	1.2263	0.8338

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units				
Group 1	0.2248	-	0.2248	0.3419
Group 2	0.0000	0.2248	0.2248	0.3419

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

Old Mutual Equity 2 Fund

Launch date	13 December 2002
IA Sector	Unclassified
Investment adviser	Investec Asset Management Limited
Net asset value	£116,547,636

Objective

To provide long term total return from capital growth and income in a portfolio of predominantly UK equities.

Policy

Investment will be in a portfolio of predominantly UK equities, either directly in transferable securities or through collective investment schemes, including those managed and operated by the Manager.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's review

The sub-fund outperformed its benchmark index by quite some margin for the year under review. Over the year, domestically focused stocks returned to favour. There was strong performance among banks and industrial services. Companies such as insulation specialist SIG and Anglo-Irish builders' merchants Grafton Group performed very well, both benefiting from strong market growth and improving outlooks. The sub-fund's banks (Barclays, RBS, HSBC, Lloyds and Citigroup) all performed well on the back of a slight steepening in the yield curve, effectively indicating something of a return to more normal economic conditions. Avoiding tobacco companies also proved profitable. After the US Federal Drug Administration announced at the end of July that it was considering reducing nicotine levels in cigarettes in the US to non-addictive levels, the stock market reaction was to sell shares in tobacco companies.

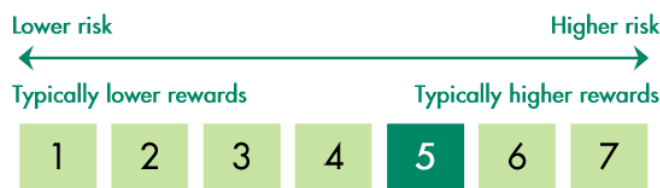
More negatively, an underweight exposure relative to the benchmark index in mining companies, beneficiaries of stronger metals prices, hurt relative performance. At a stock level, our position in global pharmaceutical company GlaxoSmithKline was the largest detractor over the year, on the back of poor trading results and, more generally, 'defensive' groups such as these, with solid earnings growth falling out of favour with investors.

We initiated several positions, most significantly in UK masonry products manufacturer Forterra, UK lender Virgin Money, UK estate agents Countrywide and LSL Property Services, low-cost airline carrier EasyJet and retailer Next.

We sold our positions in crane manufacturer Manitowoc, consumer electronics company Best Buy, Lloyds bank, J Sainsbury and cruise company Carnival, following our belief that the company was fairly valued. We trimmed our holdings in Grafton Group, SIG and HSBC.

It appears that central bankers have clearly decided that enough is enough and that the time has come to start raising interest rates and discussing the reversal of quantitative easing or monetary stimulus, whilst not shocking the stock markets too much. Our conclusion is that we are entering a new era. Those stocks that have performed well in a period of declining bond yields are unlikely to be those stocks that perform well as bond prices typically fall and bond yields increase (bond prices move inversely to yields). There may be a few false starts to this process of monetary tightening by central banks, but we prefer to be ahead of the game and construct the portfolio in anticipation of new trends, rather than wait until the actual shift in stock markets, taking account of a higher interest rate environment, takes place.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

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

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

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

Capital erosion risk - the sub-fund takes its charges from the 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.

Performance Records

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	134.14	120.44	126.55
Return before operating charges*	24.39	15.06	(4.68)
Operating charges**	(1.62)	(1.36)	(1.43)
Return after operating charges*	22.77	13.70	(6.11)
Distributions	(4.47)	(4.26)	(4.32)
Retained distributions	4.47	4.26	4.32
Closing asset value per unit	156.91	134.14	120.44
* after direct transaction costs of***	0.33	0.33	0.33
Performance			
Return after charges	16.97%	11.37%	(4.83)%
Other information			
Closing net asset value (£)	116,547,636	92,618,108	162,951,502
Closing number of units	74,274,796	69,044,814	135,296,960
Operating charges****	1.09%	1.09%	1.10%
Direct transaction costs****	0.22%	0.26%	0.25%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	156.8	137.5	138.6
Lowest unit price	134.1	111.9	117.0

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Equity 2 Fund*	4.12%	16.93%	23.95%	63.25%
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%

* Accumulation 'A' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation

		Overseas:	
United Kingdom Equities	68.46%	United States	7.49%
European Equities	13.82%	Ireland	7.06%
North American Equities	8.78%	Netherlands	6.76%
United Kingdom Government Bonds	4.53%	Canada	1.03%
South American Equities	0.33%	Peru	0.33%
United Kingdom Corporate Bonds	0.23%	Mexico	0.26%
African Equities	0.17%	South Africa	0.17%
Net other assets	3.68%	Net other assets	3.68%
Total	100.00%	Total	100.00%

Portfolio allocation

		Major holdings	Percentage of portfolio
United Kingdom:			
Banks	21.14%	HSBC (UK Listing)	7.02%
Support Services	7.91%	Royal Dutch Shell 'B'	6.76%
General Retailers	7.73%	GlaxoSmithKline	6.36%
Pharmaceuticals & Biotechnology	6.36%	Barclays	5.69%
Food & Drug Retailers	5.80%	Grafton	5.10%
Government Bonds	4.53%	United Kingdom Gilt 1.25% 22/07/2018	4.53%
Oil & Gas Producers	4.06%	Royal Bank of Scotland	4.53%
Travel & Leisure	2.84%	SIG	4.10%
Real Estate Investment Trusts	1.98%	BP	4.06%
Real Estate Investment & Services	1.95%	Tesco	3.02%
Gas, Water & Multiutilities	1.81%		
Software & Computer Services	1.41%	Number of holdings	60
Electricity	1.28%		
Aerospace & Defence	1.06%		
Fixed Line Telecommunications	0.82%		
Construction & Materials	0.73%		
Financial Services	0.58%		
Household Goods & Home Construction	0.32%		
Media	0.31%		
Personal Goods	0.29%		
Corporate Bonds	0.23%		
Industrial Transportation	0.07%		
Leisure Goods	0.01%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 73.22% (30 September 2016 69.95%)		
	United Kingdom Debt Securities 4.76% (30 September 2016 5.24%)		
	Sterling Denominated Fixed Rate Corporate Bonds 0.23% (30 September 2016 0.28%)		
£245,000	Aviva 5.9021% Perpetual	266	0.23
		266	0.23
	Sterling Denominated Fixed Rate Government Bonds 4.53% (30 September 2016 4.96%)		
£5,249,000	United Kingdom Gilt 1.25% 22/07/2018	5,285	4.53
		5,285	4.53
	United Kingdom Equities 68.46% (30 September 2016 64.71%)		
	Aerospace & Defence 1.06% (30 September 2016 1.89%)		
211,709	Chemring	381	0.33
342,227	QinetiQ	854	0.73
		1,235	1.06
	Banks 21.14% (30 September 2016 21.16%)		
3,456,356	Barclays	6,638	5.69
1,115,060	HSBC (UK Listing)	8,185	7.02
3,532,580	Lloyds Banking	2,384	2.05
1,968,366	Royal Bank of Scotland	5,277	4.53
171,662	Standard Chartered (UK Listing)	1,272	1.09
310,448	Virgin Money	887	0.76
		24,643	21.14
	Construction & Materials 0.73% (30 September 2016 0.00%)		
310,266	Forterra	847	0.73
		847	0.73
	Electricity 1.28% (30 September 2016 2.21%)		
477,356	Drax	1,486	1.28
		1,486	1.28
	Financial Services 0.58% (30 September 2016 0.80%)		
321,258	International Personal Finance	671	0.58
		671	0.58
	Fixed Line Telecommunications 0.82% (30 September 2016 1.09%)		
335,170	BT	953	0.82
		953	0.82
	Food & Drug Retailers 5.80% (30 September 2016 7.67%)		
1,874,779	Tesco	3,515	3.02
1,369,799	WM Morrison Supermarkets	3,240	2.78
		6,755	5.80
	Gas, Water & Multiutilities 1.81% (30 September 2016 2.46%)		
1,125,301	Centrica	2,105	1.81
		2,105	1.81

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	General Retailers 7.73% (30 September 2016 4.24%)		
529,259	Carpetright	1,021	0.88
373,848	Kingfisher	1,115	0.96
907,448	Marks & Spencer	3,219	2.76
275,363	N Brown	973	0.83
36,230	Next	1,909	1.64
1,026,084	Topps Tiles	772	0.66
		9,009	7.73
	Household Goods & Home Construction 0.32% (30 September 2016 0.00%)		
34,182	Bovis Homes	369	0.32
		369	0.32
	Industrial Transportation 0.07% (30 September 2016 0.12%)		
22,248	Royal Mail	86	0.07
		86	0.07
	Leisure Goods 0.01% (30 September 2016 0.02%)		
57,916	Hornby	15	0.01
		15	0.01
	Media 0.31% (30 September 2016 0.38%)		
225,747	Bloomsbury Publishing	357	0.31
		357	0.31
	Oil & Gas Producers 4.06% (30 September 2016 3.59%)		
989,312	BP	4,736	4.06
		4,736	4.06
	Personal Goods 0.29% (30 September 2016 0.00%)		
188,542	Avon Products	335	0.29
		335	0.29
	Pharmaceuticals & Biotechnology 6.36% (30 September 2016 7.78%)		
495,892	GlaxoSmithKline	7,409	6.36
		7,409	6.36
	Real Estate Investment & Services 1.95% (30 September 2016 0.93%)		
745,705	Countrywide	802	0.68
357,221	Helical Bar	1,071	0.92
168,994	LSL Property Services	402	0.35
		2,275	1.95
	Real Estate Investment Trusts 1.98% (30 September 2016 1.14%)		
70,977	British Land	430	0.37
192,725	Land Securities	1,883	1.61
		2,313	1.98
	Software & Computer Services 1.41% (30 September 2016 0.79%)		
169,384	Computacenter	1,647	1.41
		1,647	1.41

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Support Services 7.91% (30 September 2016 5.47%)		
202,595	Aggreko	1,905	1.64
2,686,604	SIG	4,777	4.10
173,633	Travis Perkins	2,532	2.17
		9,214	7.91
	Travel & Leisure 2.84% (30 September 2016 2.97%)		
122,316	easyJet	1,495	1.28
71,455	Go-Ahead	1,211	1.04
496,894	Ladbrokes Coral	610	0.52
		3,316	2.84
	Overseas 23.10% (30 September 2016 25.36%)		
	Africa 0.17% (30 September 2016 0.47%)		
	South Africa Equities 0.17% (30 September 2016 0.47%)		
13,617	AngloGold Ashanti ADR	95	0.08
33,527	Gold Fields ADR	108	0.09
		203	0.17
	Europe 13.82% (30 September 2016 13.69%)		
	Ireland Equities 7.06% (30 September 2016 8.19%)		
81,132	CRH (UK Listing)	2,289	1.96
716,131	Grafton	5,944	5.10
		8,233	7.06
	Netherlands Equities 6.76% (30 September 2016 5.50%)		
343,192	Royal Dutch Shell 'B'	7,883	6.76
		7,883	6.76
	North America 8.78% (30 September 2016 10.44%)		
	Canada Equities 1.03% (30 September 2016 0.38%)		
10,693	Barrick Gold (CAD Listing)	129	0.11
27,380	Kinross Gold (CAD Listing)	88	0.08
36,578	Pan American Silver	467	0.40
63,943	SSR Mining	518	0.44
		1,202	1.03
	Mexico Equities 0.26% (30 September 2016 0.90%)		
21,337	Fresnillo	301	0.26
		301	0.26
	United States Equities 7.49% (30 September 2016 9.16%)		
62,664	Citi	3,401	2.92
69,175	Coeur Mining	478	0.41
12,316	Newmont Mining	346	0.30
61,758	NOW	630	0.54
45,074	Signet Jewelers	2,260	1.94
70,944	Tahoe Resources	273	0.23
77,664	Welbilt	1,339	1.15
		8,727	7.49

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	South America 0.33% (30 September 2016 0.76%)		
	Peru Equities 0.33% (30 September 2016 0.76%)		
169,596	Hochschild Mining	385	0.33
		385	0.33
	Investment assets	112,261	96.32
	Net other assets	4,287	3.68
	Total net assets	116,548	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		14,163		12,170
Revenue	3	3,246		5,315	
Expenses	4	(1,136)		(1,609)	
Interest payable and similar charges	5	(1)		-	
Net revenue before taxation		2,109		3,706	
Taxation	6	(11)		(18)	
Net revenue after taxation			2,098		3,688
Total return before distributions			16,261		15,858
Distributions	7		(3,147)		(5,168)
Change in net assets attributable to unitholders from investment activities			13,114		10,690

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		92,618		162,952
Amounts received on issue of units	21,542		6,645	
Amounts paid on cancellation of units	(14,014)		(91,896)	
		7,528		(85,251)
Dilution adjustment		135		153
Change in net assets attributable to unitholders from investment activities		13,114		10,690
Retained distribution on accumulation units		3,153		4,074
Closing net assets attributable to unitholders		116,548		92,618

The notes on pages 75 to 82 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		112,261	88,277
Current assets			
Debtors	8	541	357
Cash and bank balances	9	3,963	4,482
Total assets		116,765	93,116
Liabilities			
Creditors			
Other creditors	10	(217)	(498)
Total liabilities		(217)	(498)
Net assets attributable to unitholders		116,548	92,618

The notes on pages 75 to 82 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Equity 2 Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Gains on forward currency contracts

Gains/(losses) on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
14,147	12,261
2	6
17	(94)
(3)	(3)
14,163	12,170

3 Revenue

Bank interest

Interest on debt securities

Non-taxable overseas dividends

UK dividends

UK REIT dividends

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
2	4
21	64
258	395
2,897	4,765
68	87
3,246	5,315

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1,050	1,485
86	124
1,136	1,609

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Interest payable and similar charges

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Bank overdraft interest	(1)	-
Total interest payable and similar charges	(1)	-

6 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	11	18
Total current tax charge for the year	11	18
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	11	18

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	2,109	3,706
Corporation tax at 20% (30 September 2016: 20%)	422	741
Effects of:		
Excess management expenses for which no relief taken	209	291
Revenue not subject to taxation – UK	(579)	(953)
Non-taxable overseas dividends	(52)	(79)
Overseas tax suffered	11	18
Total tax charge for the year (see note 6(a))	11	18

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £32,367,914 (30 September 2016: £31,315,374), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

7 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Interim – Accumulation units (31 March)	1,318	2,705
Final – Accumulation units (30 September)	1,835	1,369
	3,153	4,074
Revenue deducted on cancellation of units	124	1,151
Revenue received on issue of units	(130)	(57)
Distributions	3,147	5,168
Reconciliation of distributions:		
Net revenue after taxation	2,098	3,688
Capitalised fees	1,050	1,485
Tax relief on capitalised fees	(1)	(5)
Distributions	3,147	5,168

Details of the interim and final distributions per unit are set out in the tables on page 83.

8 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	334	280
Sales awaiting settlement	207	77
Total debtors	541	357

9 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	3,963	4,482
Total cash and bank balances	3,963	4,482

10 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	189	187
Accrued expenses	16	89
Amounts payable for cancellation of units	12	-
Purchases awaiting settlement	-	222
Total creditors	217	498

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 73. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

Fixed income securities and variable rate securities.

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

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

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

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

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
	exposures*	exposures		exposures*	exposures	
	30.09.17	30.09.17	30.09.17	30.09.16	30.09.16	30.09.16
	£'000	£'000	£'000	£'000	£'000	£'000
Canadian Dollar	4	491	495	3	350	353
Euro	14	-	14	21	1,073	1,094
US Dollar	2	9,977	9,979	33	7,900	7,933
Total	20	10,468	10,488	57	9,323	9,380

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £524,385 or 0.45% (30 September 2016: £469,024 or 0.51%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Canadian Dollar	4	-	491	495
Euro	-	-	14	14
Sterling	3,957	5,551	96,769	106,277
US Dollar	2	-	9,977	9,979
Total	3,963	5,551	107,251	116,765

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Canadian Dollar	3	-	350	353
Euro	-	-	1,094	1,094
Sterling	4,459	4,854	74,423	83,736
US Dollar	21	-	7,912	7,933
Total	4,483	4,854	83,779	93,116

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(217)	(217)
Total	-	(217)	(217)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	-	(498)	(498)
Total	-	(498)	(498)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £5,613,056 or 4.82% (30 September 2016: £4,413,875 or 4.77%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	111,995	-	88,021	-
Level 2: Observable market data	266	-	256	-
Level 3: Unobservable data	-	-	-	-
Total	112,261	-	88,277	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual UK Equity 2 Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Bonds

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
6,256	-	-	-	-
40,839	25	0.06%	184	0.45%
47,095	25		184	
47,304				

30.09.16

Bonds

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
4,953	-	-	-	-
53,359	51	0.10%	274	0.51%
453	-	-	-	-
58,765	51		274	
59,090				

Analysis of total sale costs

30.09.17

Bonds

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
5,513	-	-	-	-
31,809	22	0.07%	-	-
123	-	-	-	-
37,445	22		-	
37,423				

30.09.16

Bonds

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
12,122	-	-	-	-
127,454	64	0.05%	-	-
301	-	-	-	-
139,877	64		-	
139,813				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.04%	0.08%
0.17%	0.18%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.14% (30 September 2016: 0.09%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

15 Unitholders' funds

The sub-fund currently has one unit class; Accumulation 'A'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit class currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.00%	1.00%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	69,044,814	14,650,365	(9,420,383)	-	74,274,796

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	2.4710	-	2.4710	1.9833
Group 2	1.5556	0.9154	2.4710	1.9833

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units				
Group 1	2.0002	-	2.0002	2.2776
Group 2	1.1562	0.8440	2.0002	2.2776

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

Old Mutual Ethical Fund

Launch date	23 September 2005
IA Sector	Global Growth
Investment adviser	Quilter Cheviot Limited
Net asset value	£126,755,717

Objective

To achieve long term capital growth and income through investment in a well-diversified portfolio of international securities issued by companies that demonstrate sound ethical practice.

Policy

Investment will be in a well-diversified portfolio, predominantly of equities, which are held either directly or through collective investment schemes. Investment may also be in fixed interest securities.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Securities are screened against ethical investment criteria, with the aim of ensuring that only companies with sound ethical practice are included in the portfolio. Further information about these criteria is available to unitholders or prospective unitholders on request.

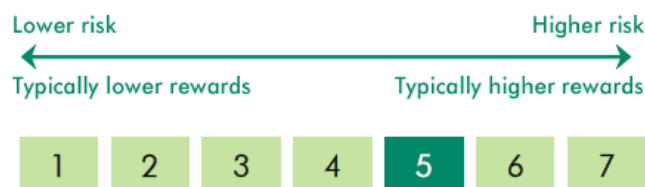
Investment Manager's review

Synchronised global growth, low inflation, favourable financial conditions and higher corporate profits have supported risk assets for much of 2017. Global growth forecasts have been marginally upgraded during 2017 with GDP now expected to rise 3.1%. In the industrialised economies, 2.1% growth continues to be eclipsed by 4.5% in the emerging world. The pickup in global trade and investment, as well as robust business sentiment surveys, suggests global GDP could be 3.3% in 2018. Despite unemployment at multi-year lows, globalisation of the supply chain and product/process innovation is still dampening inflation with CPI expected to rise marginally to 1.6%. Boosted by anticipated personal and corporate tax cuts and hurricane-related government spending, the US is on track to expand 2.2% this year and 2.7% in 2018. The surprise this year has been the broad-based recovery in the Eurozone which is now catching-up with the US. Like Japan, the region is benefiting from the cyclical upturn in global trade - exports should increase 4.6% year-on-year - as well as a strong rise in domestic construction and investment.

During the year, we reduced exposure to the US, from 53.6% to 46.6%, in favour of Europe and Japan, as valuations within our investable universe seemed stretched in the US. However, this has been a relative drag to the sub-fund's performance as both the Dollar and North America equities continued to gain during the year. Good stock selection has been beneficial to the sub-fund's absolute performance in the last year, particularly in North America and Europe, excluding the UK. At the stock level, the largest positive contributors were Kingspan (building insulation, Ireland), Sophos (cybersecurity, UK) and Delphi (car fuel efficiency, US). Conversely, the largest detractors of performance were Acuity Brands (energy efficiency lighting, US), AO Smith (energy efficiency boilers, US) and GEA Group (food processing, Germany). We initiated new positions in Mediclinic (hospitals, UK) and German companies KION Group (robotics) and GEA group (food processing) in the year. We divested White Foods Markets (acquired by Danone) and added to existing positions in American companies Union Pacific (freight transportation) and Republic Services (waste management) as well as SABESP (water utility, Brazil) and Halma (safety instrumentation, UK).

In contrast to recent years, more companies are benefiting from revenue growth, as higher nominal GDP boosts sales and reduced reliance on cost cutting. Having said that, the cycle has reached the stage where profit margins continue to expand, helped by slowing inflation and subdued wage growth. As such, we remain mindful that any earnings disappointment would be taken very badly by the markets. At 17x forward earnings, equities are not compelling but they are not at extreme levels either. Attractive dividend yields mean equities still look good value against bonds. We remain focused on companies with strong balance sheets and free cash flow that can enhance returns through dividend increases and share buy backs.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Strategy risk - the sub-fund invests in sectors and companies using an ethical investment strategy. This means the range of the sub-fund's investments may be more restrictive, and consequently the sub-fund may be less diversified than other investment funds.

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	105.54	76.58	79.08
Return before operating charges*	12.28	30.46	(0.93)
Operating charges**	(1.85)	(1.50)	(1.57)
Return after operating charges*	10.43	28.96	(2.50)
Distributions	(0.08)	(0.08)	-
Retained distributions	0.08	0.08	-
Closing asset value per unit	115.97	105.54	76.58
* after direct transaction costs of***	0.06	0.13	0.05
Performance			
Return after charges	9.88%	37.82%	(3.16)%
Other information			
Closing net asset value (£)	73,182,949	72,616,877	60,367,121
Closing number of units	63,104,434	68,803,052	78,827,789
Operating charges****	1.65%	1.68%	1.88%
Direct transaction costs***	0.06%	0.14%	0.06%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	118.9	106.9	90.93
Lowest unit price	102.7	77.53	74.64
Accumulation 'R'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	107.66	77.57	79.70
Return before operating charges*	12.55	30.99	(0.97)
Operating charges**	(1.04)	(0.90)	(1.16)
Return after operating charges*	11.51	30.09	(2.13)
Distributions	(0.96)	(0.76)	(0.18)
Retained distributions	0.96	0.76	0.18
Closing asset value per unit	119.17	107.66	77.57
* after direct transaction costs of***	0.06	0.13	0.05
Performance			
Return after charges	10.69%	38.79%	(2.67)%
Other information			
Closing net asset value (£)	53,572,768	32,898,422	13,837,776
Closing number of units	44,953,045	30,558,342	17,838,854
Operating charges****	0.90%	0.97%	1.38%
Direct transaction costs***	0.06%	0.14%	0.06%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	121.9	109.0	91.89
Lowest unit price	104.9	78.72	75.24

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Ethical Fund*	2.66%	10.75%	50.18%	104.52%
FTSE World TR (benchmark)**	2.23%	15.43%	53.38%	116.49%
IA Global (sector average)	3.09%	14.79%	43.54%	84.42%
Quartile ranking	3	4	2	2

* Accumulation 'R' units

** Benchmark changed from FTSE Environmental Opportunities All-Share Index to FTSE World TR on 30.11.15

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
North American Equities	42.33%	Waters	3.08%
European Equities	22.33%	Xylem	2.97%
United Kingdom Equities	14.31%	Veolia Environnement	2.90%
Japan Equities	12.55%	Kingspan (Irish Listing)	2.89%
South American Equities	2.14%	Pentair	2.74%
African Equities	1.71%	Sonoco Products	2.74%
Asia Pacific (excluding Japan) Equities	1.42%	AptarGroup	2.68%
		Republic Services	2.63%
Net other assets	3.21%	Halma	2.63%
		Geberit	2.61%
Total	100.00%		
		Number of holdings	46

Portfolio allocation

United Kingdom:

Industrial Engineering	2.74%
Electronic & Electrical Equipment	2.63%
General Industrials	2.55%
Gas, Water & Multiutilities	2.31%
Automobiles & Parts	2.05%
Travel & Leisure	1.28%
Software & Computer Services	0.75%

Overseas:

United States	42.33%
Japan	12.55%
France	7.53%
Germany	5.72%
Switzerland	4.54%
Ireland	2.89%
Brazil	2.14%
South Africa	1.71%
Netherlands	1.65%
Taiwan	1.42%
Net other assets	3.21%
Total	100.00%

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 14.31% (30 September 2016 18.01%)		
	United Kingdom Equities 14.31% (30 September 2016 18.01%)		
	Automobiles & Parts 2.05% (30 September 2016 2.72%)		
35,621	Delphi Automotive	2,601	2.05
		<u>2,601</u>	<u>2.05</u>
	Electronic & Electrical Equipment 2.63% (30 September 2016 1.88%)		
300,056	Halma	3,331	2.63
		<u>3,331</u>	<u>2.63</u>
	Gas, Water & Multiutilities 2.31% (30 September 2016 5.13%)		
150,720	Pennon	1,198	0.95
79,108	Severn Trent	1,726	1.36
		<u>2,924</u>	<u>2.31</u>
	General Industrials 2.55% (30 September 2016 2.35%)		
652,469	DS Smith	3,237	2.55
		<u>3,237</u>	<u>2.55</u>
	Industrial Engineering 2.74% (30 September 2016 3.19%)		
69,300	Pentair	3,477	2.74
		<u>3,477</u>	<u>2.74</u>
	Software & Computer Services 0.75% (30 September 2016 1.73%)		
174,922	Sophos	954	0.75
		<u>954</u>	<u>0.75</u>
	Travel & Leisure 1.28% (30 September 2016 1.01%)		
102,265	Compass	1,623	1.28
		<u>1,623</u>	<u>1.28</u>
	Overseas 82.48% (30 September 2016 79.47%)		
	Africa 1.71% (30 September 2016 0.00%)		
	South Africa Equities 1.71% (30 September 2016 0.00%)		
333,246	Mediclinic International	2,168	1.71
		<u>2,168</u>	<u>1.71</u>
	Asia Pacific (excluding Japan) 1.42% (30 September 2016 0.94%)		
	Taiwan Equities 1.42% (30 September 2016 0.94%)		
469,972	Delta Electronics	1,801	1.42
		<u>1,801</u>	<u>1.42</u>
	Europe 22.33% (30 September 2016 19.25%)		
	France Equities 7.53% (30 September 2016 8.07%)		
203,625	Rexel	2,603	2.06
239,519	Suez	3,261	2.57
213,533	Veolia Environnement	3,677	2.90
		<u>9,541</u>	<u>7.53</u>

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Germany Equities 5.72% (30 September 2016 3.10%)		
95,326	GEA	3,204	2.53
148,000	Infineon Technologies	2,770	2.19
17,760	KION	1,270	1.00
		7,244	5.72
	Ireland Equities 2.89% (30 September 2016 2.94%)		
116,480	Kingspan (Irish Listing)	3,667	2.89
		3,667	2.89
	Netherlands Equities 1.65% (30 September 2016 1.44%)		
80,368	Boskalis Westminster	2,084	1.65
		2,084	1.65
	Switzerland Equities 4.54% (30 September 2016 3.70%)		
9,388	Geberit	3,309	2.61
49,959	Wolseley	2,445	1.93
		5,754	4.54
	Japan 12.55% (30 September 2016 10.17%)		
	Japan Equities 12.55% (30 September 2016 10.17%)		
139,414	Daiseki	2,623	2.07
40,300	East Japan Railway	2,776	2.19
20,700	FANUC	3,130	2.47
72,000	Horiba	3,043	2.40
180,000	Kubota	2,446	1.93
19,000	Shimano	1,890	1.49
		15,908	12.55
	North America 42.33% (30 September 2016 47.14%)		
	United States Equities 42.33% (30 September 2016 47.14%)		
22,679	Acuity Brands	2,848	2.25
45,875	American Water Works	2,778	2.19
67,478	AO Smith	2,970	2.34
52,151	AptarGroup	3,393	2.68
78,780	BorgWarner	2,960	2.33
52,247	Emerson Electric	2,453	1.94
20,078	Hubbell	1,739	1.37
79,854	LKQ	2,132	1.68
295,673	Mueller Water Products	2,843	2.24
49,600	Regal-Beloit	2,955	2.33
67,255	Republic Services	3,334	2.63
92,329	Sonoco Products	3,467	2.74
37,678	Stericycle	2,018	1.59
26,764	Toro	1,237	0.98
37,253	Union Pacific	3,228	2.55
54,167	Waste Management	3,173	2.50
29,186	Waters	3,898	3.08
46,590	Watts Water Technologies	2,458	1.94
80,775	Xylem	3,768	2.97
		53,652	42.33

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	South America 2.14% (30 September 2016 1.97%)		
	Brazil Equities 2.14% (30 September 2016 1.97%)		
354,300	Cia deneamento Basico do Estado deo Paulo ADR	2,716	2.14
		2,716	2.14
	Investment assets	122,682	96.79
	Net other assets	4,074	3.21
	Total net assets	126,756	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		10,780		27,953
Revenue	3	2,224		1,700	
Expenses	4	(1,600)		(1,305)	
Interest payable and similar charges	5	(1)		(1)	
Net revenue before taxation		623		394	
Taxation	6	(197)		(133)	
Net revenue after taxation			426		261
Total return before distributions			11,206		28,214
Distributions	7		(426)		(262)
Change in net assets attributable to unitholders from investment activities			10,780		27,952

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		105,515		74,205
Amounts received on issue of units	25,652		11,314	
Amounts paid on cancellation of units	(15,681)		(8,254)	
		9,971		3,060
Dilution adjustment		20		9
Change in net assets attributable to unitholders from investment activities		10,780		27,952
Retained distribution on accumulation units		470		289
Closing net assets attributable to unitholders		126,756		105,515

The notes on pages 92 to 99 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		122,682	102,854
Current assets			
Debtors	8	217	555
Cash and bank balances	9	4,492	3,904
Total assets		127,391	107,313
Liabilities			
Creditors			
Other creditors	10	(635)	(1,798)
Total liabilities		(635)	(1,798)
Net assets attributable to unitholders		126,756	105,515

The notes on pages 92 to 99 form an integral part of these financial statements.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Ethical Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

(Losses)/gains on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
10,874	27,899
(92)	56
(2)	(2)
10,780	27,953

3 Revenue

Bank interest

Non-taxable overseas dividends

Taxable overseas dividends

UK dividends

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
2	4
1,787	1,346
98	13
337	337
2,224	1,700

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Other expenses:

Investment adviser fees**

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1,426	1,118
174	128
1,600	1,246
-	59
1,600	1,305

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Audit fee for the year, excluding VAT, was £7,150 (30 september 2016: £7,500).

** The Investment Advisor fee was paid directly by the sub-fund until 30 November 2015. Following a change in expense structure, the Advisor fee is now paid directly by the Old Mutual Investment Management Limited.

5 Interest payable and similar charges

Bank overdraft interest

Total interest payable and similar charges

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1	1
1	1

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

6 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	197	133
Total current tax charge for the year	197	133
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	197	133

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
The taxation assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	623	394
Corporation tax at 20% (30 September 2016: 20%)	125	79
Effects of:		
Excess management expenses for which no relief taken	304	258
Revenue not subject to taxation – UK	(67)	(68)
Non-taxable overseas dividends	(358)	(269)
Overseas tax expensed	(4)	-
Overseas tax suffered	197	133
Total tax charge for the year (see note 6(a))	197	133

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £13,580,996 (30 September 2016: £12,060,701), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

7 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Interim – Accumulation units (31 March)	51	14
Final – Accumulation units (30 September)	419	275
	470	289
Revenue deducted on cancellation of units	11	5
Revenue received on issue of units	(55)	(32)
Distributions	426	262
Reconciliation of distributions:		
Net revenue after taxation	426	261
Equalisation on conversion	-	1
Distributions	426	262

Details of the interim and final distributions per unit are set out in the tables on page 100.

8 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	86	130
Amounts receivable for issue of units	112	381
Overseas tax recoverable	19	44
Total debtors	217	555

9 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	4,492	3,904
Total cash and bank balances	4,492	3,904

10 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	243	220
Accrued expenses	30	26
Amounts payable for cancellation of units	362	498
Purchases awaiting settlement	-	1,054
Total creditors	635	1,798

11 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 90. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares, equity related shares.

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

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

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

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

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures	Non-monetary exposures	Total
	30.09.17	30.09.17	30.09.17	30.09.16	30.09.16	30.09.16
	£'000	£'000	£'000	£'000	£'000	£'000
Euro	151	22,536	22,687	163	16,402	16,565
Japanese Yen	59	15,907	15,966	36	10,731	10,767
Swiss Franc	24	3,309	3,333	9	2,468	2,477
Taiwan Dollar	-	1,801	1,801	-	986	986
US Dollar	107	62,446	62,553	87	58,054	58,141
Total	341	105,999	106,340	295	88,641	88,936

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £5,317,032 or 4.19% (30 September 2016: £4,446,822 or 4.21 %). A 5% decrease would have an equal and opposite effect.

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 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets	Fixed rate financial asset	Financial assets not carrying interest	Total
30.09.17	£'000	£'000	£'000	£'000
Euro	136	-	22,551	22,687
Japanese Yen	-	-	15,966	15,966
Sterling	4,255	-	16,796	21,051
Swiss Franc	9	-	3,324	3,333
Taiwan Dollar	-	-	1,801	1,801
US Dollar	92	-	62,461	62,553
Total	4,492	-	122,899	127,391

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	133	-	16,432	16,565
Japanese Yen	1,054	-	10,767	11,821
Sterling	2,670	-	14,653	17,323
Swiss Franc	-	-	2,477	2,477
Taiwan Dollar	-	-	986	986
US Dollar	47	-	58,094	58,141
Total	3,904	-	103,409	107,313

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(635)	(635)
Total	-	(635)	(635)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Japanese Yen	-	(1,054)	(1,054)
Sterling	-	(744)	(744)
Total	-	(1,798)	(1,798)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £6,134,098 or 4.84% (30 September 2016: £5,142,698 or 4.87%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	122,682	-	102,854	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	122,682	-	102,854	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual Ethical Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
27,215	29	0.10%	30	0.11%
-	-	-	-	-
27,215	29		30	
27,274				

30.09.16

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
44,156	36	0.08%	39	0.09%
37	-	-	-	-
44,193	36		39	
44,268				

Analysis of total sale costs

30.09.17

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
18,272	7	0.04%	-	-
-	-	-	-	-
18,272	7		-	
18,265				

30.09.16

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
42,552	44	0.10%	4	0.01%
31	-	-	-	-
42,583	44		4	
42,535				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.03%	0.09%
0.03%	0.05%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.06% (30 September 2016: 0.08%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

15 Unitholders' funds

The sub-fund currently has two unit classes; Accumulation 'A' and Accumulation 'R'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.50%	1.50%
- Accumulation 'R'	0.75%	0.75%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	68,803,052	7,177,036	(12,197,172)	(678,482)	63,104,434
- Accumulation 'R'	30,558,342	15,452,174	(1,721,832)	664,361	44,953,045

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	0.0779	-	0.0779	0.0849
Group 2	0.0229	0.0550	0.0779	0.0849
Accumulation 'R' Units				
Group 1	0.8222	-	0.8222	0.7070
Group 2	0.2215	0.6007	0.8222	0.7070

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units**				
Group 1	0.0000	-	0.0000	0.0000
Group 2	0.0000	0.0000	0.0000	0.0000
Accumulation 'R' Units				
Group 1	0.1343	-	0.1343	0.0571
Group 2	0.0781	0.0562	0.1343	0.0571

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

** For the period under review, the expenses exceeded revenue and therefore there was no revenue available to accumulate.

Old Mutual Newton UK Income Fund

Launch date	12 April 2013
IA Sector	UK Equity Income
	BNY Mellon Investment Management EMEA Limited who has delegated to
Investment adviser	Newton Investment Management Limited
Net asset value	£25,783,801
Objective	

To achieve increasing annual income together with long term capital growth.

Policy

The sub-fund will invest primarily in the shares of UK companies. The sub-fund may also invest in other transferable securities, warrants, collective investment schemes, money market instruments, deposits and derivatives.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's review

The sub-fund, like the majority of UK Income funds, underperformed the FTSE All-Share Index for the year. The sub-fund's positioning in the financial sector was the biggest detractor; in particular by not holding large index constituent HSBC, which performed well. The sub-fund's structural underweight to commodity companies was detrimental on the back of a rallying iron-ore price and stronger Chinese macroeconomic data. The oil price also recovered over the year as US oil inventories began to fall. Utility holdings were a drag on performance too, with a deteriorating regulatory environment weighing on share prices.

On the positive side, the holding in Microsoft benefited from years of strategic investments targeting the 'cloud' opportunity. Insurer Hiscox was also a top performer; the company is exhibiting underwriting discipline with sensible growth outside of the Lloyd's market through its US carrier, which it has built from scratch. The sub-fund also benefited from strategic void positions in pharmaceutical Shire and advertising giant WPP.

We initiated a holding in mining company Anglo American and materially reduced the sub-fund's underweight to the oil sector by introducing BP and adding to Royal Dutch Shell.

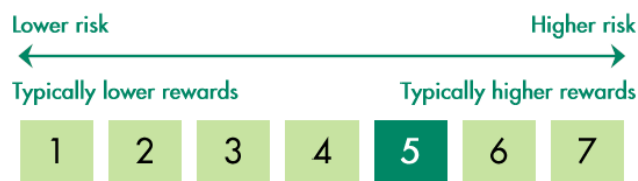
We also reduced the sub-fund's underweight to the financial sector. In the insurance space, we bought Prudential, Legal & General and Aviva. Within the banking sub-sector, we bought Lloyds Banking Group, Royal Bank of Scotland and Allied Irish Banks. We also initiated a holding in Entra, the Norwegian office real-estate investment trust.

We reduced the sub-fund's consumer exposure with sales of Procter & Gamble, Domino's Pizza, Compass Group, and Tate & Lyle.

While equity markets have enjoyed significant momentum since Donald Trump's election victory in November 2016, there remains much to be highly cautious about. The world continues to contend with some profound structural and deflationary challenges; to demographics, technological change and ever present debt burdens may now be added to the discrediting of globalisation and threats to the free trade on which much prosperity has been built. Uncertainty is the enemy of financial markets, and this is likely to remain the case as they react to Donald Trump's actions and the process of negotiating the UK's exit from the EU continues. The portfolio is therefore positioned for a challenging year of low economic growth and more volatile returns.

We will continue to invest in those stocks that we believe are best placed to weather these conditions, while taking advantage of opportunities that the inevitable volatility will provide.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

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

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

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

Capital erosion risk - the sub-fund takes its charges from the 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.

Performance record

Comparative Tables

Income 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	119.41	102.83	103.95
Return before operating charges*	3.10	23.15	4.60
Operating charges**	(1.88)	(1.78)	(1.74)
Return after operating charges*	1.22	21.37	2.86
Distributions	(4.65)	(4.79)	(3.98)
Retained distributions	-	-	-
Closing asset value per unit	115.98	119.41	102.83
* after direct transaction costs of***	0.38	0.37	0.30
Performance			
Return after charges	1.02%	20.78%	2.75%
Other information			
Closing net asset value (£)	25,737,725	30,122,092	27,833,520
Closing number of units	22,191,158	25,225,213	27,067,505
Operating charges****	1.61%	1.61%	1.61%
Direct transaction costs***	0.33%	0.33%	0.28%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	123.5	122.1	115.3
Lowest unit price	108.0	101.4	96.41
Accumulation 'U2'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	129.96	106.34	102.72
Return before operating charges*	3.50	24.44	4.36
Operating charges**	(0.93)	(0.82)	(0.74)
Return after operating charges*	2.57	23.62	3.62
Distributions	(5.16)	(5.06)	(3.99)
Retained distributions	5.16	5.06	3.99
Closing asset value per unit	132.53	129.96	106.34
* after direct transaction costs of***	0.43	0.39	0.31
Performance			
Return after charges	1.98%	22.21%	3.52%
Other information			
Closing net asset value (£)	46,027	23,538	24,369
Closing number of units	34,729	18,111	22,916
Operating charges****	0.71%	0.71%	0.67%
Direct transaction costs***	0.33%	0.33%	0.28%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	137.4	131.8	115.4
Lowest unit price	117.7	105.9	95.23

Comparative Tables (continued)

Income 'U2'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	117.80	95.08	100.00
Return before operating charges*	2.68	28.02	0.86
Operating charges**	(0.81)	(0.79)	(0.69)
Return after operating charges*	1.87	27.23	0.17
Distributions	(4.61)	(4.51)	(5.09)
Retained distributions	-	-	-
Closing asset value per unit	115.06	117.80	95.08
* after direct transaction costs of***	0.37	0.37	0.28
Performance			
Return after charges	1.59%	28.64%	0.17%
Other information			
Closing net asset value (£)	49	130	12
Closing number of units	43	110	13
Operating charges****	0.71%	0.71%	0.68%
Direct transaction costs***	0.33%	0.33%	0.28%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	122.4	120.1	113.9
Lowest unit price	106.7	99.43	98.59

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Newton UK Income Fund*	1.22%	2.00%	29.14%	-
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK Equity Income (sector average)	3.74%	10.84%	28.71%	69.14%
Quartile ranking	4	4	2	-

* Accumulation 'U2' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
UK Equities	74.07%	Royal Dutch Shell 'B'	6.42%
European Equities	13.90%	Diageo	6.41%
North American Equities	4.74%	RELX (UK Listing)	6.22%
Net other assets	7.29%	British American Tobacco	4.25%
		National Express	4.12%
Total	100.00%	Aviva	4.01%
		BP	3.72%
Portfolio allocation		Vodafone	3.60%
		Prudential	3.52%
United Kingdom:		Smith & Nephew	3.47%
Life Insurance	9.61%		
Media	6.81%	Number of holdings	41
Beverages	6.41%		
Travel & Leisure	5.78%		
Tobacco	5.60%		
Gas, Water & Multiutilities	4.08%		
Oil & Gas Producers	3.72%		
Pharmaceuticals & Biotechnology	3.60%		
Mobile Telecommunications	3.60%		
Health Care Equipment & Services	3.47%		
Aerospace & Defence	3.26%		
General Industrials	3.26%		
Banks	3.04%		
Personal Goods	2.64%		
Mining	2.38%		
Financial Services	1.89%		
Support Services	1.45%		
Software & Computer Services	1.44%		
Equity Investment Instruments	1.25%		
Fixed Line Telecommunications	0.51%		
Nonlife Insurance	0.27%		
Overseas:			
Netherlands	8.67%		
United States	3.00%		
Ireland	2.61%		
Norway	1.84%		
Bermuda	1.74%		
Luxembourg	0.78%		
Net other assets	7.29%		
Total	100.00%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 74.07% (30 September 2016 80.87%)		
	United Kingdom Equities 74.07% (30 September 2016 80.87%)		
	Aerospace & Defence 3.26% (30 September 2016 1.17%)		
132,860	BAE Systems	841	3.26
		841	3.26
	Banks 3.04% (30 September 2016 0.00%)		
930,000	Lloyds Banking	628	2.43
58,696	Royal Bank of Scotland	157	0.61
		785	3.04
	Beverages 6.41% (30 September 2016 6.29%)		
66,986	Diageo	1,652	6.41
		1,652	6.41
	Equity Investment Instruments 1.25% (30 September 2016 3.72%)		
47,307	HICL Infrastructure	73	0.28
192,872	John Laing Infrastructure Fund	249	0.97
		322	1.25
	Financial Services 1.89% (30 September 2016 1.62%)		
94,000	TP ICAP	487	1.89
		487	1.89
	Fixed Line Telecommunications 0.51% (30 September 2016 1.43%)		
46,460	BT	132	0.51
		132	0.51
	Food Producers 0.00% (30 September 2016 1.76%)		
	Gas, Water & Multiutilities 4.08% (30 September 2016 12.23%)		
200,000	Centrica	374	1.45
26,260	National Grid	243	0.94
9,600	Severn Trent	209	0.81
26,360	United Utilities	226	0.88
		1,052	4.08
	General Industrials 3.26% (30 September 2016 2.22%)		
53,260	Smiths	840	3.26
		840	3.26
	Health Care Equipment & Services 3.47% (30 September 2016 2.84%)		
66,000	Smith & Nephew	894	3.47
		894	3.47
	Industrial Transportation 0.00% (30 September 2016 0.19%)		
	Life Insurance 9.61% (30 September 2016 0.00%)		
200,000	Aviva	1,033	4.01
206,000	Legal & General	537	2.08
50,860	Prudential	909	3.52
		2,479	9.61

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom Equities (continued)		
	Media 6.81% (30 September 2016 7.31%)		
32,000	Gocompare.com	33	0.13
98,260	RELX (UK Listing)	1,604	6.22
17,500	UBM	119	0.46
		1,756	6.81
	Mining 2.38% (30 September 2016 0.00%)		
46,000	Anglo American	614	2.38
		614	2.38
	Mobile Telecommunications 3.60% (30 September 2016 2.92%)		
446,000	Vodafone	928	3.60
		928	3.60
	Nonlife Insurance 0.27% (30 September 2016 0.59%)		
3,826	Admiral	69	0.27
		69	0.27
	Oil & Gas Producers 3.72% (30 September 2016 0.00%)		
200,360	BP	959	3.72
		959	3.72
	Personal Goods 2.64% (30 September 2016 2.21%)		
15,690	Unilever	680	2.64
		680	2.64
	Pharmaceuticals & Biotechnology 3.60% (30 September 2016 6.97%)		
10,000	AstraZeneca (UK Listing)	492	1.91
29,260	GlaxoSmithKline	437	1.69
		929	3.60
	Software & Computer Services 1.44% (30 September 2016 5.11%)		
53,360	Sage	372	1.44
		372	1.44
	Support Services 1.45% (30 September 2016 2.23%)		
196,235	Hays	374	1.45
		374	1.45
	Tobacco 5.60% (30 September 2016 10.36%)		
23,360	British American Tobacco	1,095	4.25
10,960	Imperial Brands	349	1.35
		1,444	5.60
	Travel & Leisure 5.78% (30 September 2016 9.70%)		
26,960	Compass	428	1.66
300,000	National Express	1,062	4.12
		1,490	5.78

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 18.64% (30 September 2016 19.86%)		
	Europe 13.90% (30 September 2016 10.57%)		
	Ireland Equities 2.61% (30 September 2016 0.00%)		
50,189	Allied Irish Banks	225	0.87
18,983	Smurfit Kappa (UK Listing)	449	1.74
		674	2.61
	Luxembourg Equities 0.78% (30 September 2016 1.03%)		
141,197	BBGI SICAV Fund	200	0.78
		200	0.78
	Netherlands Equities 8.67% (30 September 2016 9.54%)		
72,000	Royal Dutch Shell 'B'	1,654	6.42
16,996	Wolters Kluwer	581	2.25
		2,235	8.67
	Norway Equities 1.84% (30 September 2016 0.00%)		
46,460	Entra	475	1.84
		475	1.84
	North America 4.74% (30 September 2016 9.29%)		
	Bermuda Equities 1.74% (30 September 2016 1.67%)		
35,000	Hiscox	449	1.74
		449	1.74
	United States Equities 3.00% (30 September 2016 7.62%)		
14,000	Microsoft	773	3.00
		773	3.00
	Investment assets	23,905	92.71
	Net other assets	1,879	7.29
	Total net assets	25,784	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Note	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital (losses)/gains	2		(463)		4,651
Revenue	3	1,093		1,270	
Expenses	4	(437)		(457)	
Net revenue before taxation		656		813	
Taxation	5	(18)		(24)	
Net revenue after taxation			638		789
Total return before distributions			175		5,440
Distributions	6		(1,075)		(1,236)
Change in net assets attributable to unitholders from investment activities			(900)		4,204

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		30,146		27,858
Amounts received on issue of units	1,128		3,462	
Amounts paid on cancellation of units	(4,593)		(5,386)	
		(3,465)		(1,924)
Dilution adjustment		1		7
Change in net assets attributable to unitholders from investment activities		(900)		4,204
Retained distribution on accumulation units		2		1
Closing net assets attributable to unitholders		25,784		30,146

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

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		23,905	30,365
Current assets			
Debtors	7	137	198
Cash and bank balances	8	2,127	101
Total assets		26,169	30,664
Liabilities			
Creditors			
Distribution payable		(238)	(221)
Other creditors	9	(147)	(297)
Total liabilities		(385)	(518)
Net assets attributable to unitholders		25,784	30,146

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

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Newton UK Income Fund are included on pages 211 to 212.

2 Net capital (losses)/gains

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

(Losses)/gains on non-derivative securities

Losses on currency contracts

Handling charges

Net capital (losses)/gains

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
(458)	4,656
(5)	-
-	(5)
(463)	4,651

3 Revenue

Non-taxable overseas dividends

UK dividends

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
182	305
911	965
1,093	1,270

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Fixed expense rebate*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
407	430
41	38
(11)	(11)
437	457

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Fixed expense rebate related to a percentage of the fixed expenses refunded back to the sub-fund by the Manager to reduce the overall fees being charged. This is currently 0.04% on all share classes. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	18	24
Total current tax charge for the year	18	24
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year (see note 5(b))	18	24

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	656	813
Corporation tax at 20% (30 September 2016: 20%)	131	163
Effects of:		
Excess management expenses for which no relief taken	87	91
Revenue not subject to taxation – UK	(182)	(193)
Non-taxable overseas dividends	(36)	(61)
Overseas tax suffered	18	24
Total tax charge for the year (see note 5(a))	18	24

Authorised Unit Trusts are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £2,234,158 (30 September 2016: £1,797,094), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

6 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
First Interim – Accumulation units (31 December)	-	-
First Interim – Income units (31 December)	189	181
Second Interim – Accumulation units (31 March)	-	-
Second Interim – Income units (31 March)	234	271
Third Interim – Accumulation units (30 June)	1	1
Third Interim – Income units (30 June)	399	553
Final – Accumulation units (30 September)	1	-
Final – Income units (30 September)	238	221
	1,062	1,227
Revenue deducted on cancellation of units	22	32
Revenue received on issue of units	(9)	(23)
Distributions	1,075	1,236
Reconciliation of distributions:		
Net revenue after taxation	638	789
Capitalised fees	437	446
Undistributed revenue carried forward	-	1
Distributions	1,075	1,236

Details of the interim and final distributions per unit are set out in the tables on pages 118 and 119.

7 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	62	70
Overseas tax recoverable	11	23
Sales awaiting settlement	64	105
Total debtors	137	198

8 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	2,127	101
Total cash and bank balances	2,127	101

9 Other Creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	64	76
Accrued expenses	5	9
Amounts payable for cancellation of units	62	54
Purchases awaiting settlement	16	158
Total creditors	147	297

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

10 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 108. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 7 and 9. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

Fixed income securities and variable rate securities.

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

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

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

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

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	30.09.17 £'000	30.09.17 £'000	30.09.17 £'000	30.09.16 £'000	30.09.16 £'000	30.09.16 £'000
Euro	5	806	811	5	2,256	2,261
Norwegian Krone	2	475	477	1	-	1
Swiss Franc	8	-	8	17	-	17
US Dollar	-	773	773	-	2,297	2,297
Total	15	2,054	2,069	23	4,553	4,576

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £103,419 or 0.40% (30 September 2016: £228,789 or 0.76%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Euro	-	-	811	811
Norwegian Krone	-	-	477	477
Sterling	2,127	-	21,973	24,100
Swiss Franc	-	-	8	8
US Dollar	-	-	773	773
Total	2,127	-	24,042	26,169

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	-	-	2,261	2,261
Norwegian Krone	-	-	1	1
Sterling	101	-	25,988	26,089
Swiss Franc	-	-	17	17
US Dollar	1	-	2,295	2,296
Total	102	-	30,562	30,664

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(385)	(385)
Total	-	(385)	(385)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	-	(518)	(518)
Total	-	(518)	(518)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Derivatives and other financial instruments (continued)

d) Credit risk

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

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

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £1,195,267 or 4.64% (30 September 2016: £1,518,264 or 5.04%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	23,905	-	30,365	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	23,905	-	30,365	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual Newton UK Income Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities

Collective Investment Schemes

Corporate actions

Total

Total purchases including transaction costs

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
15,070	10	0.07%	65	0.43%
-	-	-	-	-
27	-	-	-	-
15,097	10		65	
15,172				

30.09.16

Equities

Collective Investment Schemes

Total

Total purchases including transaction costs

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
19,013	13	0.07%	67	0.35%
179	-	0.05%	-	-
19,192	13		67	
19,272				

Analysis of total sale costs

30.09.17

Equities

Collective Investment Schemes

Corporate actions

Total

Total sales including transaction costs

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
20,035	12	0.06%	1	-
917	1	0.06%	-	-
235	-	-	-	-
21,187	13		1	
21,173				

30.09.16

Equities

Collective Investment Schemes

Corporate actions

Total

Total sales including transaction costs

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
20,942	15	0.07%	1	-
70	-	-	-	-
13	-	-	-	-
21,025	15		1	
21,009				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.08%	0.10%
0.24%	0.23%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.07% (30 September 2016: 0.07%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Unitholders' funds

The sub-fund currently has three unit classes: Income 'A', Accumulation 'U2' and Income 'U2'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Income 'A'	1.50%	1.50%
- Accumulation 'U2'	0.60%	0.60%
- Income 'U2'	0.60%	0.60%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Income 'A'	25,225,213	946,000	(3,980,055)	-	22,191,158
- Accumulation 'U2'	18,111	26,927	(10,309)	-	34,729
- Income 'U2'	110	96	(163)	-	43

15 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 July 2017
 Group 2: Units purchased from 1 July 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Income 'A' Units				
Group 1	1.0728	-	1.0728	0.8803
Group 2	0.0377	1.0351	1.0728	0.8803
Accumulation 'U2' Units				
Group 1	1.2412	-	1.2412	0.9842
Group 2	0.9127	0.3285	1.2412	0.9842
Income 'U2' Units				
Group 1	1.0804	-	1.0804	0.8001
Group 2	0.0241	1.0563	1.0804	0.8001

Third Interim distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 June 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.08.17 pence per unit	Distribution paid 31.08.16 pence per unit
Income 'A' Units				
Group 1	1.7719	-	1.7719	2.1989
Group 2	0.2119	1.5600	1.7719	2.1989
Accumulation 'U2' Units				
Group 1	1.9466	-	1.9466	2.2990
Group 2	1.5779	0.3687	1.9466	2.2990
Income 'U2' Units				
Group 1	1.7320	-	1.7320	2.1104
Group 2	0.0000	1.7320	1.7320	2.1104

Distribution table (continued)

Second Interim distribution

Group 1: Units purchased prior to 1 January 2017
 Group 2: Units purchased from 1 January 2017 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Income 'A' Units				
Group 1	1.0190	-	1.0190	1.0207
Group 2	0.3483	0.6707	1.0190	1.0207
Accumulation 'U2' Units				
Group 1	1.1196	-	1.1196	1.0649
Group 2	0.9109	0.2087	1.1196	1.0649
Income 'U2' Units				
Group 1	1.0225	-	1.0225	1.0113
Group 2	0.5719	0.4506	1.0225	1.0113

First Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 December 2016

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 28.02.17 pence per unit	Distribution paid 28.02.16 pence per unit
Income 'A' Units				
Group 1	0.7856	-	0.7856	0.6887
Group 2	0.2047	0.5809	0.7856	0.6887
Accumulation 'U2' Units				
Group 1	0.8559	-	0.8559	0.7122
Group 2	0.4551	0.4008	0.8559	0.7122
Income 'U2' Units				
Group 1	0.7788	-	0.7788	0.5853
Group 2	0.3411	0.4377	0.7788	0.5853

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

Old Mutual Newton UK Opportunities Fund

Launch date	27 March 2013
IA Sector	UK All Companies
Investment adviser	BNY Mellon Investment Management EMEA Limited who has delegated to Newton Investment Management Limited
Net asset value	£139,302,810

On 8 May 2017 the Old Mutual BlackRock UK Special Situations Fund changed name to the Old Mutual Newton UK Opportunities Fund and changed investment adviser from BlackRock Advisors (UK) Limited to Newton Investment Management Limited.

Objective

To achieve long term capital growth.

Policy

The sub-fund invests primarily in the shares of companies incorporated or listed in the UK and will typically invest in the shares of fewer than 50 companies. The sub-fund does not have a bias towards any economic sector or company size. The sub-fund may also invest in collective investment schemes.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's review

On 8 May 2017, Old Mutual BlackRock UK Special Situations Fund changed name to Old Mutual Newton UK Opportunities Fund and investment adviser from BlackRock Advisors (UK) Limited to Newton Investment Management Limited.

For the period 1 October 2016 to 8 May 2017.

The UK stock market extended the positive returns of 2016 despite a surprise snap UK general election, whilst in France the election of President Macron was viewed positively. US economic and employment data remained supportive.

There were strong results from a number of holdings including Fever-Tree, Melrose, Dechra Pharmaceuticals and CVS Group. Spread betting firm IG Group fell after the FCA proposed tougher rules around the trading of CFDs by retail clients. The underweight positioning in banks detracted, in particular the underweight position in HSBC as the shares rose following the upward move in the level of the US yield curve.

For the period 8 May 2017 to 30 September 2017.

The UK equity market continued to grind steadily higher. Having been out of favour earlier, some domestic cyclical areas recently bounced back sharply, in line with the recovery in Sterling. Oil and gas producers and mining have been strong contributors. Mining outperformed following higher industrial metal prices, driven by Chinese economic data continuing to show growth in the first half of 2017, supply-side constraints and weakness in the US Dollar. Meanwhile, the oil and gas sector also performed well following a rise in oil prices, driven by improving demand data and signs of a slowdown in US shale production.

Market sentiment towards tighter monetary policy rhetoric from central bankers resulted in yields on fixed interest securities moving higher and many of the international defensive areas of the market such as tobacco, pharmaceuticals and media performed poorly against the backdrop of Sterling strength and rising bond yields.

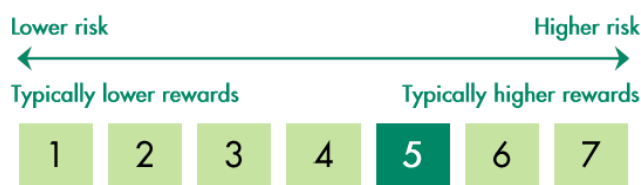
Performance of the sub-fund was materially different from the Newton UK Opportunities Fund strategy, underperforming the strategy since the inception date on 8 May 2017 to the end of the second quarter. The inherited sub-fund held a large number of smaller capitalisation stocks of which some were fairly unmarketable. It took several weeks to exit some of these smaller capitalisation positions and reinvest the proceeds. With the transition period now complete, the sub-fund now mirrors the Newton UK Opportunities Fund and delivers very similar performance, as observed at the end of the third quarter.

The sub-fund delivered a positive return over the third quarter of 2017, but did underperform its comparative index. Intertek was the period's top performer following a solid set of first half year results. Non-benchmark holding Applied Materials also contributed positively to performance as analysts remain optimistic on the company's near and long-term prospects. Not holding Shire also supported performance. On

the negative side, QinetiQ was the period's largest detractor which suffered from demand and regulatory pressures. Finally, following a rally in commodity and oil prices, the sub-fund's underweight position in the basic materials and oil sector negatively impacted performance.

Financial asset prices continue to march steadily higher. Volatility, as measured by the Vix index, remains at very low levels, despite the political uncertainty in many economies around the world. Central bankers appear cognisant of the risks to financial asset prices of keeping policy too loose for too long but reticent to stifle nascent growth in their slowly recovering economies. Within the portfolio, we continue to monitor the appropriateness of the valuation of the assets that we hold and strive to add new investments to the portfolio where we find assets with longer term growth potential at reasonable valuations.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

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

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

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

Performance Records

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	119.23	106.64	103.16
Return before operating charges*	16.74	14.39	5.30
Operating charges**	(2.12)	(1.80)	(1.82)
Return after operating charges*	14.62	12.59	3.48
Distributions	(1.65)	(1.46)	(1.70)
Retained distributions	1.65	1.46	1.70
Closing asset value per unit	133.85	119.23	106.64
* after direct transaction costs of***	1.46	0.23	0.43
Performance			
Return after charges	12.26%	11.81%	3.37%
Other information			
Closing net asset value (£)	42,748,374	44,687,737	44,930,620
Closing number of units	31,938,163	37,480,580	42,131,724
Operating charges****	1.65%	1.65%	1.65%
Direct transaction costs***	1.14%	0.21%	0.39%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	138.8	120.3	119.8
Lowest unit price	115.6	96.27	95.89

Accumulation 'U2'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	108.96	96.79	91.88
Return before operating charges*	13.76	12.91	5.62
Operating charges**	(0.91)	(0.74)	(0.71)
Return after operating charges*	12.85	12.17	4.91
Distributions	(2.43)	(2.18)	(2.29)
Retained distributions	2.43	2.18	2.29
Closing asset value per unit	121.81	108.96	96.79
* after direct transaction costs of***	1.38	0.20	0.37
Performance			
Return after charges	11.79%	12.57%	5.34%
Other information			
Closing net asset value (£)	96,552,404	42,326	37,848
Closing number of units	79,262,701	38,844	39,105
Operating charges****	0.75%	0.75%	0.75%
Direct transaction costs***	1.14%	0.21%	0.39%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	126.0	108.5	107.2
Lowest unit price	104.4	86.37	85.46

Comparative Tables (continued)

Income 'U2'†	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	115.81	104.89	100.00
Return before operating charges*	16.35	14.10	8.25
Operating charges**	(0.94)	(0.81)	(0.78)
Return after operating charges*	15.41	13.29	7.47
Distributions	(2.70)	(2.37)	(2.58)
Retained distributions	-	-	-
Closing asset value per unit	128.52	115.81	104.89
* after direct transaction costs of***	1.43	0.22	0.40
Performance			
Return after charges	13.31%	12.67%	7.47%
Other information			
Closing net asset value (£)	2,032	4,339	3,929
Closing number of units	1,581	3,747	3,746
Operating charges****	0.75%	0.75%	0.75%
Direct transaction costs***	1.14%	0.21%	0.39%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	134.5	118.1	119.0
Lowest unit price	112.4	94.99	100.0

†From 24 October 2014

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund. If the unit class launched during the period the operating charges figures are annualised.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Newton UK Opportunities Fund*	4.26%	13.86%	32.14%	-
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK All Companies (sector average)	4.89%	13.67%	29.97%	69.42%
Quartile ranking	2	2	2	-

* Accumulation 'U2' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
UK Equities	73.74%		
European Equities	17.52%	Diageo	6.22%
North America Equities	2.44%	RELX (UK Listing)	6.15%
		Royal Dutch Shell 'B'	5.44%
Net other assets	6.30%	Prudential	4.25%
		Smith & Nephew	4.05%
Total	100.00%	Hays	3.63%
		Smiths	3.55%
Portfolio allocation		Intertek	3.54%
		Infineon Technologies	3.33%
United Kingdom:		SAP	3.25%
Support Services	8.77%		
Life Insurance	7.43%	Number of holdings	34
Beverages	6.22%		
Media	6.15%		
Travel & Leisure	5.82%		
Aerospace & Defence	5.44%		
Health Care Equipment & Services	4.95%		
Banks	4.47%		
Tobacco	4.07%		
General Industrials	3.55%		
Mobile Telecommunications	3.24%		
Personal Goods	3.21%		
Mining	2.78%		
Household Goods & Home Construction	2.36%		
Software & Computer Services	2.32%		
Real Estate Investment Trusts	1.60%		
Pharmaceuticals & Biotechnology	1.36%		
Overseas:			
Netherlands	7.41%		
Germany	6.58%		
Ireland	3.53%		
United States	2.44%		
Net other assets	6.30%		
Total	100.00%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 73.74% (30 September 2016 85.34%)		
	United Kingdom Equities 73.74% (30 September 2016 85.34%)		
	Aerospace & Defence 5.44% (30 September 2016 2.21%)		
343,239	BAE Systems	2,173	1.56
1,445,218	Cobham	2,113	1.52
1,319,966	QinetiQ	3,293	2.36
		7,579	5.44
	Banks 4.47% (30 September 2016 4.02%)		
4,960,000	Lloyds Banking	3,347	2.40
1,074,876	Royal Bank of Scotland	2,882	2.07
		6,229	4.47
	Beverages 6.22% (30 September 2016 2.24%)		
351,670	Diageo	8,672	6.22
		8,672	6.22
	Chemicals 0.00% (30 September 2016 0.52%)		
	Construction & Materials 0.00% (30 September 2016 2.39%)		
	Financial Services 0.00% (30 September 2016 5.58%)		
	Fixed Line Telecommunications 0.00% (30 September 2016 1.80%)		
	General Industrials 3.55% (30 September 2016 1.08%)		
313,131	Smiths	4,941	3.55
		4,941	3.55
	General Retailers 0.00% (30 September 2016 3.10%)		
	Health Care Equipment & Services 4.95% (30 September 2016 0.00%)		
460,000	ConvaTec	1,253	0.90
416,705	Smith & Nephew	5,642	4.05
		6,895	4.95
	Household Goods & Home Construction 2.36% (30 September 2016 2.45%)		
48,000	Reckitt Benckiser	3,282	2.36
		3,282	2.36
	Industrial Engineering 0.00% (30 September 2016 3.06%)		
	Life Insurance 7.43% (30 September 2016 1.51%)		
857,496	Aviva	4,429	3.18
331,196	Prudential	5,917	4.25
		10,346	7.43
	Media 6.15% (30 September 2016 11.51%)		
525,096	RELX (UK Listing)	8,570	6.15
		8,570	6.15

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Mining 2.78% (30 September 2016 2.66%)			
290,296	Anglo American	3,873	2.78
		3,873	2.78
Mobile Telecommunications 3.24% (30 September 2016 0.00%)			
2,167,827	Vodafone	4,512	3.24
		4,512	3.24
Nonlife Insurance 0.00% (30 September 2016 0.97%)			
Oil & Gas Producers 0.00% (30 September 2016 5.04%)			
Personal Goods 3.21% (30 September 2016 3.98%)			
103,260	Unilever	4,473	3.21
		4,473	3.21
Pharmaceuticals & Biotechnology 1.36% (30 September 2016 6.46%)			
38,539	AstraZeneca (UK Listing)	1,898	1.36
		1,898	1.36
Real Estate Investment Trusts 1.60% (30 September 2016 3.42%)			
80,523	Derwent London	2,236	1.60
		2,236	1.60
Software & Computer Services 2.32% (30 September 2016 1.63%)			
462,470	Sage	3,226	2.32
		3,226	2.32
Support Services 8.77% (30 September 2016 9.34%)			
98,000	Bunzl	2,227	1.60
2,652,289	Hays	5,058	3.63
98,980	Intertek	4,930	3.54
		12,215	8.77
Tobacco 4.07% (30 September 2016 4.07%)			
90,000	British American Tobacco	4,218	3.03
45,765	Imperial Brands	1,457	1.04
		5,675	4.07
Travel & Leisure 5.82% (30 September 2016 6.30%)			
230,000	Compass	3,650	2.62
1,260,000	National Express	4,459	3.20
		8,109	5.82
Overseas 19.96% (30 September 2016 14.93%)			
Europe 17.52% (30 September 2016 9.38%)			
Germany Equities 6.58% (30 September 2016 0.00%)			
55,567	SAP	4,520	3.25
248,000	Infineon Technologies	4,642	3.33
		9,162	6.58

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Ireland Equities 3.53% (30 September 2016 4.45%)		
418,558	Allied Irish Banks	1,875	1.35
83,696	Smurfit Kappa (UK Listing)	1,979	1.42
75,000	Ryanair (UK Listing)	1,062	0.76
		4,916	3.53
	Netherlands Equities 7.41% (30 September 2016 4.93%)		
80,000	Wolters Kluwer	2,737	1.97
330,000	Royal Dutch Shell 'B'	7,580	5.44
		10,317	7.41
	North America 2.44% (30 September 2016 5.55%)		
	United States Equities 2.44% (30 September 2016 5.55%)		
90,000	Applied Materials	3,404	2.44
		3,404	2.44
	Investment assets	130,530	93.70
	Net other assets	8,773	6.30
	Total net assets	139,303	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		3,338		4,231
Revenue	3	1,774		1,261	
Expenses	4	(875)		(693)	
Net revenue before taxation		899		568	
Taxation	5	(9)		-	
Net revenue after taxation			890		568
Total return before distributions			4,228		4,799
Distributions	6		(890)		(568)
Change in net assets attributable to unitholders from investment activities			3,338		4,231

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		44,734		44,972
Amounts received on issue of units	97,161		2,189	
Amounts paid on cancellation of units	(8,046)		(7,244)	
		89,115		(5,055)
Dilution adjustment		459		30
Change in net assets attributable to unitholders from investment activities		3,338		4,231
Retained distribution on accumulation units		1,657		556
Closing net assets attributable to unitholders		139,303		44,734

The notes on pages 129 to 136 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		130,530	44,857
Current assets			
Debtors	7	918	43
Cash and bank balances	8	8,081	33
Total assets		139,529	44,933
Liabilities			
Creditors			
Other creditors	9	(226)	(199)
Total liabilities		(226)	(199)
Net assets attributable to unitholders		139,303	44,734

The notes on pages 129 to 136 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Newton UK Opportunities Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Losses on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
3,382	4,251
(29)	(5)
(15)	(15)
3,338	4,231

3 Revenue

Bank interest

Non-taxable overseas dividends

UK dividends

UK REIT dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1	-
99	20
1,644	1,204
29	30
1	7
1,774	1,261

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
791	643
84	50
875	693

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	9	-
Total current tax charge for the year	9	-
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year (see note 5(b))	9	-

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	899	568
Corporation tax at 20% (30 September 2016: 20%)	180	114
Effects of:		
Excess management expenses for which no relief taken	169	131
Revenue not subject to taxation – UK	(329)	(241)
Non-taxable overseas dividends	(20)	(4)
Overseas taxes suffered	9	-
Total tax charge for the year (see note 5(a))	9	-

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £4,074,143 (30 September 2016: £3,230,314), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

6 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Interim – Accumulation units (31 March)	232	238
Final – Accumulation units (30 September)	1,425	318
	1,657	556
Revenue deducted on cancellation of units	22	21
Revenue received on issue of units	(789)	(9)
Distributions	890	568

Details of the interim and final distributions per unit are set out in the tables on page 137.

7 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	166	31
Amounts receivable for issue of units	749	12
Overseas tax recoverable	3	-
Total debtors	918	43

8 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	8,081	33
Total cash and bank balances	8,081	33

9 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	184	112
Accrued expenses	30	11
Amounts payable for cancellation of units	12	76
Total creditors	226	199

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

10 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 127. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 7 and 9. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

11 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

Fixed income securities and variable rate securities.

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

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

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

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

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	30.09.17	30.09.17	30.09.17	30.09.16	30.09.16	30.09.16
	£'000	£'000	£'000	£'000	£'000	£'000
Euro	20	14,836	14,856	-	-	-
US Dollar	-	3,404	3,404	-	-	-
Total	20	18,240	18,260	-	-	-

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £742,785 or 0.53% (30 September 2016: £Nil or 0.00%). A 5% decrease would have an equal and opposite effect.

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 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets	Fixed rate financial asset	Financial assets not carrying interest	Total
	£'000	£'000	£'000	£'000
30.09.17				
Euro	-	-	14,856	14,856
Sterling	8,081	-	113,188	121,269
US Dollar	-	-	3,404	3,404
Total	8,081	-	131,448	139,529

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Sterling	33	-	44,900	44,933
Total	33	-	44,900	44,933

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(226)	(226)
Total	-	(226)	(226)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	-	(199)	(199)
Total	-	(199)	(199)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £6,526,483 or 4.69% (30 September 2016: £2,242,863 or 5.01%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Derivatives and other financial instruments (continued)

h) Fair value of financial assets and liabilities

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

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	130,530	-	44,857	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	130,530	-	44,857	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual Newton UK Opportunities Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

12 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil)

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities

Collective Investment Schemes

Corporate actions

Total**Total purchases including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
148,169	94	0.06%	611	0.41%
3,439	-	-	-	-
99	-	-	-	-
151,707	94		611	
152,412				

30.09.16

Equities

Collective Investment Schemes

Corporate actions

Total**Total purchases including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
14,797	12	0.08%	58	0.39%
11,657	-	-	-	-
317	-	-	-	-
26,771	12		58	
26,841				

Analysis of total sale costs

30.09.17

Equities

Collective Investment Schemes

Corporate actions

Total**Total sales including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
64,220	44	0.07%	-	-
4,441	-	-	-	-
1,502	-	-	-	-
70,163	44		-	
70,119				

30.09.16

Equities

Collective Investment Schemes

Corporate actions

Total**Total sales including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
18,533	18	0.10%	-	-
11,578	-	-	-	-
890	-	-	-	-
31,001	18		-	
30,983				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.21%	0.07%
0.93%	0.14%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.06% (30 September 2016: 0.35%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Unitholders' funds

The sub-fund currently has three unit classes; Accumulation 'A', Accumulation 'U2' and Income 'U2'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.50%	1.50%
- Accumulation 'U2'	0.60%	0.60%
- Income 'U2'	0.60%	0.60%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	37,480,580	733,780	(6,276,197)	-	31,938,163
- Accumulation 'U2'	38,844	79,225,312	(1,455)	-	79,262,701
- Income 'U2'	3,747	1,598	(3,764)	-	1,581

15 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	0.9850	-	0.9850	0.8463
Group 2	0.2662	0.7188	0.9850	0.8463
Accumulation 'U2' Units				
Group 1	1.4013	-	1.4013	1.2395
Group 2	1.2218	0.1795	1.4013	1.2395
Income 'U2' Units				
Group 1	1.5342	-	1.5342	1.3030
Group 2	1.3481	0.1861	1.5342	1.3030

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units				
Group 1	0.6657	-	0.6657	0.6163
Group 2	0.5015	0.1642	0.6657	0.6163
Accumulation 'U2' Units				
Group 1	1.0295	-	1.0295	0.9442
Group 2	0.6219	0.4076	1.0295	0.9442
Income 'U2' Units				
Group 1	1.1617	-	1.1617	1.0704
Group 2	0.9482	0.2135	1.1617	1.0704

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

Old Mutual UK Alpha Fund

Launch date	31 January 2003
IA Sector	UK All Companies
Investment adviser	Old Mutual Global Investors (UK) Limited
Net asset value	£2,346,380,242

Objective

To maximise capital growth through investment in a portfolio of predominantly UK equities.

Policy

Investment will be in a portfolio of predominantly UK equities, either directly in transferable securities or through collective investment schemes, including those managed and operated by the Manager.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility or risk profile of the sub-fund.

Investment Manager's review

The FTSE All-share index delivered double digit returns in the year to 30 September 2017. A benign environment of solid growth and low inflation globally saw equity markets move consistently higher over the year, while a series of elections results in the United States and Europe, all unexpected, also underpinned share prices.

The shock election of Donald Trump as US president in November 2016 drove markets higher as investors focused on the prospects for tax reform and increased fiscal spending; though ultimately the president made little progress on his agenda in his first nine months in office. In the UK, Prime Minister Theresa May called a general election but after a disastrous campaign lost the Conservative party majority, weakening her negotiating position over Brexit. Emmanuel Macron's victory in the French presidential election on a pro-European agenda added to a sense of optimism on the continent, though this was somewhat tarnished by Angela Merkel's less convincing victory in the German election in September. Escalating tensions over the nuclear ambitions of North Korea in the summer were a source of stock market volatility but failed to put sustained pressure on financial markets.

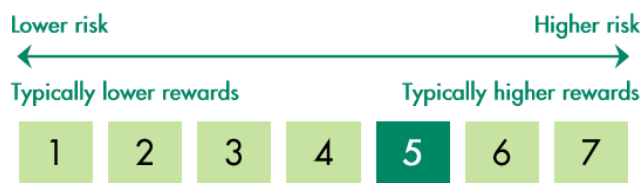
The US Federal Reserve raised interest rates over the year and signalled further tightening to come. Similarly, the Bank of England signalled a bias to tighten; both central banks seemingly concerned at the medium term impact of high employment on inflation. Ten-year bond yields rose over the year, while oil and industrial commodity prices also moved higher.

Against this background, the sub-fund outperformed its benchmark index. Positive contributions to performance came from caterer SSP, which delivered strong results over the year, while payments processing group Worldpay moved higher following the takeover by US peer Vantiv. The sub-fund benefited from underweight positions in 'bond proxy' sectors (those sectors typically possessing bond-like characteristics, with supposedly stable earnings and relatively good yields) such as tobacco and regulated utilities, and overweight positions relative to the benchmark index in mining companies Glencore and Rio Tinto.

We sold out of positions in housebuilder Taylor Wimpey, department store group Debenhams, and electronic broker NEX, while starting new positions in medical device manufacturer Smith & Nephew and packaging group DS Smith. We also topped up positions in miners Glencore and Rio Tinto, bookmaker Ladbrokes Coral and voice broker TP-ICAP while taking profits in SSP, AstraZeneca, Micro Focus and Burberry.

The global economic outlook remains a benign combination of low growth, low inflation and low but gently rising interest rates. We remain overweight relative to the benchmark index in the financials sector and underweight in the 'bond proxy' sectors of the market. We believe that the former look cheap and the latter expensive given our expectation of a gradual normalisation of interest rates as the global economy continues the slow recovery from the global financial crisis.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Concentration risk (number of investments) - the sub-fund may at times hold a smaller number of investments, and therefore a fall in the value of a single investment may have a greater impact on the sub-fund's value than if it held a larger number of investments.

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

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

Capital erosion risk - the sub-fund takes its charges from the 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.

Performance Records

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	113.95	102.77	108.62
Return before operating charges*	19.19	12.88	(4.05)
Operating charges**	(1.99)	(1.70)	(1.80)
Return after operating charges*	17.20	11.18	(5.85)
Distributions	(4.01)	(3.86)	(3.69)
Retained distributions	4.01	3.86	3.69
Closing asset value per unit	131.15	113.95	102.77
* after direct transaction costs of***	0.11	0.09	0.42
Performance			
Return after charges	15.09%	10.88%	(5.39)%
Other information			
Closing net asset value (£)	83,510,426	91,558,014	101,494,288
Closing number of units	63,674,436	80,346,803	98,754,662
Operating charges****	1.60%	1.60%	1.59%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	132.4	116.3	122.5
Lowest unit price	112.9	93.88	101.2

Income 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	106.13	99.15	108.51
Return before operating charges*	17.80	12.30	(3.91)
Operating charges**	(1.84)	(1.63)	(1.79)
Return after operating charges*	15.96	10.67	(5.70)
Distributions	(3.71)	(3.69)	(3.66)
Retained distributions	-	-	-
Closing asset value per unit	118.38	106.13	99.15
* after direct transaction costs of***	0.10	0.09	0.41
Performance			
Return after charges	15.04%	10.76%	(5.25)%
Other information			
Closing net asset value (£)	5,220,449	5,556,826	6,099,686
Closing number of units	4,410,009	5,235,725	6,151,875
Operating charges****	1.60%	1.60%	1.59%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	121.6	110.5	121.2
Lowest unit price	105.1	90.56	100.5

Comparative Tables (continued)

Accumulation 'R'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	134.50	120.38	126.26
Return before operating charges*	22.71	15.18	(4.77)
Operating charges**	(1.25)	(1.06)	(1.11)
Return after operating charges*	21.46	14.12	(5.88)
Distributions	(4.75)	(4.54)	(4.30)
Retained distributions	4.75	4.54	4.30
Closing asset value per unit	155.96	134.50	120.38
* after direct transaction costs of***	0.13	0.11	0.49
Performance			
Return after charges	15.96%	11.73%	(4.66)%
Other information			
Closing net asset value (£)	436,604,231	450,791,186	506,043,082
Closing number of units	279,941,044	335,160,960	420,380,103
Operating charges****	0.85%	0.85%	0.84%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	157.2	137.3	143.1
Lowest unit price	133.3	110.3	117.7

Income 'R'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	109.24	101.29	110.01
Return before operating charges*	18.36	12.62	(4.03)
Operating charges**	(1.01)	(0.89)	(0.97)
Return after operating charges*	17.35	11.73	(5.00)
Distributions	(3.83)	(3.78)	(3.72)
Retained distributions	-	-	-
Closing asset value per unit	122.76	109.24	101.29
* after direct transaction costs of***	0.10	0.09	0.42
Performance			
Return after charges	15.88%	11.58%	(4.55)%
Other information			
Closing net asset value (£)	24,612,558	26,514,160	28,984,315
Closing number of units	20,048,841	24,271,004	28,613,955
Operating charges****	0.85%	0.85%	0.84%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	126.0	113.7	123.5
Lowest unit price	108.3	92.78	102.6

Comparative Tables (continued)

Accumulation 'U1'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	119.30	106.69	111.81
Return before operating charges*	20.16	13.48	(4.23)
Operating charges**	(1.02)	(0.87)	(0.89)
Return after operating charges*	19.14	12.61	(5.12)
Distributions	(4.22)	(4.02)	(3.81)
Retained distributions	4.22	4.02	3.81
Closing asset value per unit	138.44	119.30	106.69
* after direct transaction costs of***	0.12	0.09	0.43
Performance			
Return after charges	16.04%	11.82%	(4.58)%
Other information			
Closing net asset value (£)	600,709,980	572,622,275	615,612,060
Closing number of units	433,915,116	479,987,018	577,010,505
Operating charges****	0.78%	0.78%	0.76%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	139.5	121.8	126.7
Lowest unit price	118.2	97.75	104.2

Income 'U1'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	106.79	98.96	107.39
Return before operating charges*	17.96	12.33	(3.93)
Operating charges**	(0.90)	(0.80)	(0.86)
Return after operating charges*	17.06	11.53	(4.79)
Distributions	(3.75)	(3.70)	(3.64)
Retained distributions	-	-	-
Closing asset value per unit	120.10	106.79	98.96
* after direct transaction costs of***	0.10	0.09	0.41
Performance			
Return after charges	15.98%	11.65%	(4.46)%
Other information			
Closing net asset value (£)	398,631,340	371,631,553	497,420,776
Closing number of units	331,915,755	347,990,189	502,659,535
Operating charges****	0.78%	0.78%	0.77%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	123.3	111.2	120.6
Lowest unit price	105.8	90.65	100.1

Comparative Tables (continued)

	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Accumulation 'U2'			
Change in net assets per unit			
Opening net asset value per unit	114.01	101.89	106.71
Return before operating charges*	19.27	12.86	(4.05)
Operating charges**	(0.88)	(0.74)	(0.77)
Return after operating charges*	18.39	12.12	(4.82)
Distributions	(4.03)	(3.84)	(3.64)
Retained distributions	4.03	3.84	3.64
Closing asset value per unit	132.40	114.01	101.89
* after direct transaction costs of***	0.11	0.09	0.41
Performance			
Return after charges	16.13%	11.90%	(4.52)%
Other information			
Closing net asset value (£)	242,453,465	166,061,088	112,705,233
Closing number of units	183,128,422	145,658,629	110,613,191
Operating charges****	0.70%	0.70%	0.69%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices			
	pence per unit	pence per unit	pence per unit
Highest unit price	133.4	116.4	121.0
Lowest unit price	113.0	93.37	99.49
Income 'U2'			
	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	103.50	95.79	103.87
Return before operating charges*	17.41	11.98	(3.80)
Operating charges**	(0.79)	(0.69)	(0.76)
Return after operating charges*	16.62	11.29	(4.56)
Distributions	(3.63)	(3.58)	(3.52)
Retained distributions	-	-	-
Closing asset value per unit	116.49	103.50	95.79
* after direct transaction costs of***	0.10	0.08	0.40
Performance			
Return after charges	16.06%	11.79%	(4.39)%
Other information			
Closing net asset value (£)	540,781,687	420,315,575	314,263,059
Closing number of units	464,229,317	406,085,820	328,082,792
Operating charges****	0.70%	0.70%	0.70%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices			
	pence per unit	pence per unit	pence per unit
Highest unit price	119.6	107.8	116.7
Lowest unit price	102.6	87.82	96.84

Comparative Tables (continued)

Accumulation 'X'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	105.96	94.11	98.02
Return before operating charges*	17.95	11.95	(3.82)
Operating charges**	(0.12)	(0.10)	(0.09)
Return after operating charges*	17.83	11.85	(3.91)
Distributions	(3.76)	(3.56)	(3.35)
Retained distributions	3.76	3.56	3.35
Closing asset value per unit	123.79	105.96	94.11
* after direct transaction costs of***	0.10	0.08	0.38
Performance			
Return after charges	16.83%	12.59%	(3.99)%
Other information			
Closing net asset value (£)	13,856,106	12,613,305	11,233,784
Closing number of units	11,193,586	11,904,391	11,937,496
Operating charges****	0.10%	0.10%	0.09%
Direct transaction costs***	0.09%	0.08%	0.37%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	124.7	108.1	111.5
Lowest unit price	105.1	86.44	91.41

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual UK Alpha Fund*	6.01%	16.90%	23.52%	75.14%
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK All Companies (sector average)	4.89%	13.67%	29.97%	69.42%
Quartile ranking	2	1	3	2

* Accumulation 'R' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
UK Equities	86.90%		
European Equities	11.64%	HSBC (UK Listing)	5.00%
North America Equities	2.02%	Royal Dutch Shell 'B'	4.90%
		BP	4.42%
Net other liabilities	(0.56)%	Lloyds Banking	4.27%
		Glencore	4.24%
Total	100.00%	Sage	4.07%
		GlaxoSmithKline	4.01%
		Worldpay	3.80%
		Prudential	3.59%
		Barclays	3.57%
Portfolio allocation			
United Kingdom:		Number of holdings	34
Travel & Leisure	13.32%		
Banks	12.84%		
Life Insurance	10.34%		
Software & Computer Services	6.55%		
Pharmaceuticals & Biotechnology	6.55%		
Support Services	6.22%		
Oil & Gas Producers	4.42%		
Mobile Telecommunications	3.45%		
General Retailers	3.25%		
Mining	3.23%		
Food & Drug Retailers	2.83%		
Health Care Equipment & Services	2.73%		
Construction & Materials	2.69%		
Financial Services	2.27%		
Electricity	1.99%		
Personal Goods	1.62%		
Food Producers	1.58%		
General Industrials	1.02%		
Overseas:			
Netherlands	4.90%		
Switzerland	4.24%		
Ireland	2.50%		
United States	2.02%		
Net other liabilities	(0.56)%		
Total	100.00%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 86.90% (30 September 2016 85.24%)		
	United Kingdom Equities 86.90% (30 September 2016 85.24%)		
	Banks 12.84% (30 September 2016 11.36%)		
43,593,903	Barclays	83,722	3.57
15,993,612	HSBC (UK Listing)	117,393	5.00
148,421,467	Lloyds Banking	100,170	4.27
		301,285	12.84
	Construction & Materials 2.69% (30 September 2016 2.47%)		
29,755,843	Melrose Industries	63,023	2.69
		63,023	2.69
	Electricity 1.99% (30 September 2016 2.04%)		
14,979,483	Drax	46,631	1.99
		46,631	1.99
	Financial Services 2.27% (30 September 2016 1.88%)		
10,309,012	TP ICAP	53,401	2.27
		53,401	2.27
	Food & Drug Retailers 2.83% (30 September 2016 2.37%)		
35,367,587	Tesco	66,314	2.83
		66,314	2.83
	Food Producers 1.58% (30 September 2016 2.01%)		
5,703,814	Tate & Lyle	36,989	1.58
		36,989	1.58
	General Industrials 1.02% (30 September 2016 0.00%)		
4,829,863	DS Smith	23,961	1.02
		23,961	1.02
	General Retailers 3.25% (30 September 2016 4.79%)		
640,055	Next	33,731	1.44
19,521,321	Pets at Home	42,498	1.81
		76,229	3.25
	Health Care Equipment & Services 2.73% (30 September 2016 0.00%)		
4,725,265	Smith & Nephew	63,980	2.73
		63,980	2.73
	Household Goods & Home Construction 0.00% (30 September 2016 2.02%)		
	Life Insurance 10.34% (30 September 2016 9.47%)		
16,035,856	Aviva	82,825	3.53
4,710,346	Prudential	84,150	3.59
6,578,409	St James's Place	75,586	3.22
		242,561	10.34

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
2,180,064	Mining 3.23% (30 September 2016 2.12%)		
	Rio Tinto (UK Listing)	75,834	3.23
		75,834	3.23
38,920,520	Mobile Telecommunications 3.45% (30 September 2016 4.23%)		
	Vodafone	81,013	3.45
		81,013	3.45
21,675,173	Oil & Gas Producers 4.42% (30 September 2016 4.94%)		
	BP	103,759	4.42
		103,759	4.42
2,160,522	Personal Goods 1.62% (30 September 2016 2.49%)		
	Burberry	38,090	1.62
		38,090	1.62
1,209,021 6,298,366	Pharmaceuticals & Biotechnology 6.55% (30 September 2016 9.10%)		
	AstraZeneca (UK Listing)	59,538	2.54
	GlaxoSmithKline	94,098	4.01
		153,636	6.55
2,425,078 13,679,529	Software & Computer Services 6.55% (30 September 2016 8.59%)		
	Micro Focus International	58,323	2.48
	Sage	95,415	4.07
		153,738	6.55
3,780,250 21,905,798	Support Services 6.22% (30 September 2016 2.56%)		
	Experian	56,855	2.42
	Worldpay	89,222	3.80
		146,077	6.22
10,280,628 49,850,594 15,105,332 14,575,696 1,153,868	Travel & Leisure 13.32% (30 September 2016 12.80%)		
	International Consolidated Airlines (UK Listing)	61,375	2.61
	Ladbrokes Coral	61,217	2.61
	Merlin Entertainments	67,566	2.88
	SSP	79,000	3.37
	Whitbread	43,397	1.85
		312,555	13.32
	Overseas 13.66% (30 September 2016 15.08%)		
	Europe 11.64% (30 September 2016 12.37%)		
2,079,142	Ireland Equities 2.50% (30 September 2016 5.10%)		
	CRH (UK Listing)	58,653	2.50
		58,653	2.50
5,003,244	Netherlands Equities 4.90% (30 September 2016 4.82%)		
	Royal Dutch Shell 'B'	114,924	4.90
		114,924	4.90

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
28,974,434	Switzerland Equities 4.24% (30 September 2016 2.45%)		
	Glencore	99,455	4.24
		99,455	4.24
	North America 2.02% (30 September 2016 2.71%)		
1,249,243	United States Equities 2.02% (30 September 2016 2.71%)		
	Shire (UK Listing)	47,471	2.02
		47,471	2.02
	Investment assets	2,359,579	100.56
	Net other liabilities	(13,199)	(0.56)
	Total net assets	2,346,380	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		273,007		167,811
Revenue	3	74,908		83,282	
Expenses	4	(17,865)		(17,961)	
Interest payable and similar charges	5	(3)		(1)	
Net revenue before taxation		57,040		65,320	
Taxation	6	(475)		(191)	
Net revenue after taxation			56,565		65,129
Total return before distributions			329,572		232,940
Distributions	7		(72,194)		(80,868)
Change in net assets attributable to unitholders from investment activities			257,378		152,072

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		2,117,664		2,193,856
Amounts received on issue of units	322,842		340,163	
Amounts paid on cancellation of units	(394,471)		(615,554)	
		(71,629)		(275,391)
Dilution adjustment		445		493
Change in net assets attributable to unitholders from investment activities		257,378		152,072
Retained distribution on accumulation units		42,522		46,634
Closing net assets attributable to unitholders		2,346,380		2,117,664

The notes on pages 150 to 157 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		2,359,579	2,124,407
Current assets			
Debtors	8	5,748	5,615
Cash and bank balances	9	11,879	11,000
Total assets		2,377,206	2,141,022
Liabilities			
Creditors			
Distribution payable		(17,679)	(16,600)
Other creditors	10	(13,147)	(6,758)
Total liabilities		(30,826)	(23,358)
Net assets attributable to unitholders		2,346,380	2,117,664

The notes on pages 150 to 157 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual UK Alpha Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Gains/(losses) on currency contracts

Handling charges

Net capital gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
272,856	168,099
155	(284)
(4)	(4)
273,007	167,811

3 Revenue

Bank interest

Non-taxable overseas dividends

UK dividends

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
12	113
5,054	3,370
69,842	79,799
74,908	83,282

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
15,630	15,741
2,235	2,220
17,865	17,961

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Interest payable and similar charges

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Bank overdraft interest	3	1
Total interest payable and similar charges	3	1

6 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	475	191
Total current tax charge for the year	475	191
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	475	191

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	57,040	65,320
Corporation tax at 20% (30 September 2016: 20%)	11,408	13,064
Effects of:		
Excess management expenses for which no relief taken	3,571	3,570
Revenue not subject to taxation – UK	(13,968)	(15,960)
Non-taxable overseas dividends	(1,011)	(674)
Overseas tax suffered	475	191
Total tax charge for the year (see note 6(a))	475	191

Authorised Unit Trusts are exempt from tax in capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £83,489,029 (30 September 2016: £65,633,169), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

7 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Interim – Accumulation units (31 March)	17,847	21,015
Interim – Income units (31 March)	11,860	13,617
Final – Accumulation units (30 September)	24,675	25,619
Final – Income units (30 September)	17,679	16,600
	72,061	76,851
Revenue deducted on cancellation of units	3,125	6,975
Revenue received on issue of units	(2,992)	(2,958)
Distributions	72,194	80,868
Reconciliation of distributions:		
Net revenue after taxation	56,565	65,129
Capitalised fees	15,630	15,741
Equalisation on conversion	(1)	(2)
Undistributed revenue brought forward	1	1
Undistributed revenue carried forward	(1)	(1)
Distributions	72,194	80,868

Details of the interim and final distributions per unit are set out in the tables on pages 158 to 159.

8 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	3,920	4,243
Amounts receivable for issue of units	1,828	896
Overseas tax recoverable	-	84
Sales awaiting settlement	-	392
Total debtors	5,748	5,615

9 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	11,879	11,000
Total cash and bank balances	11,879	11,000

10 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	2,685	2,556
Accrued expenses	388	363
Amounts payable for cancellation of units	10,074	3,839
Total creditors	13,147	6,758

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 148. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 8 and 10. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

12 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

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

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

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

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

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

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

b) Foreign currency risk

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

The foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets			Net foreign currency assets		
	Monetary exposures* 30.09.17 £'000	Non-monetary exposures 30.09.17 £'000	Total 30.09.17 £'000	Monetary exposures* 30.09.16 £'000	Non-monetary exposures 30.09.16 £'000	Total 30.09.16 £'000
Euro	831	-	831	864	-	864
Total	831	-	831	864	-	864

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £41,560 or 0.00% (30 September 2016: £43,195 or 0.00%). A 5% decrease would have an equal and opposite effect.

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 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Euro	479	-	352	831
Sterling	11,400	-	2,364,975	2,376,375
Total	11,879	-	2,365,327	2,377,206

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	467	-	397	864
Sterling	10,533	-	2,129,625	2,140,158
Total	11,000	-	2,130,022	2,141,022

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(30,826)	(30,826)
Total	-	(30,826)	(30,826)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	-	(23,358)	(23,358)
Total	-	(23,358)	(23,358)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £117,978,963 or 5.03% (30 September 2016: £106,220,359 or 5.02%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

h) Fair value of financial assets and liabilities

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

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	2,359,579	-	2,124,407	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	2,359,579	-	2,124,407	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual UK Alpha Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
254,556	372	0.15%	1,180	0.46%
254,556	372		1,180	
256,108				

30.09.16

Equities

Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
264,292	208	0.08%	1,238	0.47%
19,803	-	-	-	-
284,095	208		1,238	
285,541				

Analysis of total sale costs

30.09.17

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
289,047	418	0.14%	-	-
5,163	-	-	-	-
294,210	418		-	
293,792				

30.09.16

Equities

Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
402,243	437	0.11%	-	-
27,829	-	-	-	-
430,072	437		-	
429,635				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.04%	0.03%
0.05%	0.06%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.06% (30 September 2016: 0.07%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

15 Unitholders' funds

The sub-fund currently has nine unit classes: Accumulation 'A', Income 'A', Accumulation 'R', Income 'R', Accumulation 'U1', Income 'U1', Accumulation 'U2', Income 'U2' and Accumulation 'X'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.50%	1.50%
- Income 'A'	1.50%	1.50%
- Accumulation 'R'	0.75%	0.75%
- Income 'R'	0.75%	0.75%
- Accumulation 'U1'	0.675%	0.675%
- Income 'U1'	0.675%	0.675%
- Accumulation 'U2'	0.60%	0.60%
- Income 'U2'	0.60%	0.60%
- Accumulation 'X'	0.00%	0.00%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	80,346,803	1,158,222	(17,001,269)	(829,320)	63,674,436
- Income 'A'	5,235,725	473,525	(1,239,210)	(60,031)	4,410,009
- Accumulation 'R'	335,160,960	33,165,699	(62,380,078)	(26,005,537)	279,941,044
- Income 'R'	24,271,004	4,940,649	(1,707,005)	(7,455,807)	20,048,841
- Accumulation 'U1'	479,987,018	32,883,537	(75,656,343)	(3,299,096)	433,915,116
- Income 'U1'	347,990,189	18,374,445	(33,034,787)	(1,414,092)	331,915,755
- Accumulation 'U2'	145,658,629	75,739,362	(72,548,983)	34,279,414	183,128,422
- Income 'U2'	406,085,820	93,296,220	(45,285,593)	10,132,870	464,229,317
- Accumulation 'X'	11,904,391	163,303	(874,108)	-	11,193,586

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	2.3555	-	2.3555	2.2565
Group 2	1.2128	1.1427	2.3555	2.2565
Income 'A' Units				
Group 1	2.1643	-	2.1643	2.1435
Group 2	0.9955	1.1688	2.1643	2.1435
Accumulation 'R' Units				
Group 1	2.7946	-	2.7946	2.6567
Group 2	1.3515	1.4431	2.7946	2.6567
Income 'R' Units				
Group 1	2.2399	-	2.2399	2.2013
Group 2	1.0083	1.2316	2.2399	2.2013
Accumulation 'U1' Units				
Group 1	2.4801	-	2.4801	2.3696
Group 2	1.0580	1.4221	2.4801	2.3696
Income 'U1' Units				
Group 1	2.1908	-	2.1908	2.1514
Group 2	1.0535	1.1373	2.1908	2.1514
Accumulation 'U2' Units				
Group 1	2.3714	-	2.3714	2.2515
Group 2	1.2191	1.1523	2.3714	2.2515
Income 'U2' Units				
Group 1	2.1246	-	2.1246	2.0849
Group 2	0.7673	1.3573	2.1246	2.0849
Accumulation 'X' Units				
Group 1	2.2132	-	2.2132	2.0888
Group 2	1.7675	0.4457	2.2132	2.0888

Distribution table (continued)

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units				
Group 1	1.6565	-	1.6565	1.6009
Group 2	1.2193	0.4372	1.6565	1.6009
Income 'A' Units				
Group 1	1.5424	-	1.5424	1.5453
Group 2	0.9240	0.6184	1.5424	1.5453
Accumulation 'R' Units				
Group 1	1.9589	-	1.9589	1.8790
Group 2	0.9969	0.9620	1.9589	1.8790
Income 'R' Units				
Group 1	1.5907	-	1.5907	1.5822
Group 2	0.9176	0.6731	1.5907	1.5822
Accumulation 'U1' Units				
Group 1	1.7379	-	1.7379	1.6541
Group 2	0.9924	0.7455	1.7379	1.6541
Income 'U1' Units				
Group 1	1.5558	-	1.5558	1.5460
Group 2	0.8770	0.6788	1.5558	1.5460
Accumulation 'U2' Units				
Group 1	1.6611	-	1.6611	1.5911
Group 2	0.8503	0.8108	1.6611	1.5911
Income 'U2' Units				
Group 1	1.5082	-	1.5082	1.4972
Group 2	0.7873	0.7209	1.5082	1.4972
Accumulation 'X' Units				
Group 1	1.5465	-	1.5465	1.4722
Group 2	1.0313	0.5152	1.5465	1.4722

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

Old Mutual UK Index Fund

Launch date	13 December 2002
IA Sector	UK All Companies
Investment adviser	BlackRock Advisors (UK) Limited
Net asset value	£216,854,379

Objective

To achieve capital growth through predominant investment in a portfolio of UK equities aimed at tracking the performance of the FTSE All-Share Index.

Policy

Investment will be in a portfolio of predominantly UK equities, either directly in transferable securities or through collective investment schemes, including those managed and operated by the Manager.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions. The Manager considers that the use of derivatives for this purpose is not likely to affect the volatility of risk profile of the sub-fund.

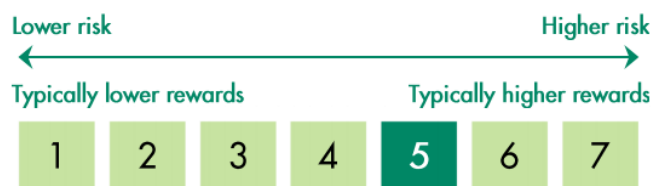
Investment Manager's review

The final quarter of 2016 was positive for the UK as the country's economy proved that despite the Brexit referendum result, it remained strong and resilient with third-quarter GDP expanding at 0.6%. Sterling, brought down by Brexit, sank further in a 'flash crash' in October, but saw something of a rebound in November. Over the year, the Bank of England (BoE) held the interest rate steady at its new low of 0.25%, and Prime Minister Theresa May officially triggered Article 50, by which the UK will leave the single market. In this context, volatility accompanied the modest gains in equities as well as a recovery in Sterling. The inflation rate rose to 2.3% year-on-year in February, ahead of expectations and above the BoE's target level of 2%.

Political headlines remained in the spotlight in the second quarter of 2017, following the failure of the Conservative Party after the snap election to gain the Parliamentary majority needed to implement its Brexit agenda smoothly. The UK was also rocked by terrorist attacks in London and Manchester, and by the fire at Grenfell Tower in London. Against this backdrop, UK equities posted modest gains for the quarter, with the BoE leaving rates unchanged, although increasing inflation (which rose to a four-year high at 2.9% in June) was cited as a reason for three of eight governors voting in favour of raising them. The increasingly hawkish sentiment at the BoE caused Sterling to rise in the last week of the quarter, reaching the resistance level of US\$1.30. Year-on-year first quarter GDP growth matched consensus estimates at 2.0%.

Although UK equities gained again in the third quarter, they pulled back in September when markets reacted to a possible increase in the base rate, due to stronger economic growth and rising inflation (2.9% in August). The hint of rising interest rates boosted the UK's currency in September, resulting in one of its best months in two years. Economic data from the UK over this quarter remained relatively robust, with GDP growing at an annual pace of 1.5%, unemployment figures remaining steady at the lowest levels seen since the mid-1970s and retail sales strong. Although the manufacturing purchasing managers' index (PMI) was up over the year, services PMI data moved downwards.

Risk and Reward Profile



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

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

Investment risk - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

Index-tracking risk - the performance of the sub-fund will depend on the performance of the relevant index and the success of the sub-fund in tracking that index.

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

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 units may rise and fall as a result of exchange rate movements between these currencies.

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

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

Performance record

Comparative Tables

Accumulation 'A'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	140.67	121.37	125.63
Return before operating charges*	17.78	20.00	(3.55)
Operating charges**	(0.83)	(0.70)	(0.71)
Return after operating charges*	16.95	19.30	(4.26)
Distributions	(4.96)	(4.42)	(3.95)
Retained distributions	4.96	4.42	3.95
Closing asset value per unit	157.62	140.67	121.37
* after direct transaction costs of***	0.03	0.04	0.06
Performance			
Return after charges	12.05%	15.90%	(3.39)%
Other information			
Closing net asset value (£)	168,860,714	169,139,232	154,785,815
Closing number of units	107,134,646	120,236,935	127,531,185
Operating charges****	0.55%	0.55%	0.55%
Direct transaction costs***	0.02%	0.03%	0.05%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	159.6	142.2	139.4
Lowest unit price	137.6	112.6	115.5

Accumulation 'R'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	139.11	119.92	123.97
Return before operating charges*	17.59	19.76	(3.47)
Operating charges**	(0.68)	(0.57)	(0.58)
Return after operating charges*	16.91	19.19	(4.05)
Distributions	(5.06)	(4.50)	(4.03)
Retained distributions	5.06	4.50	4.03
Closing asset value per unit	156.02	139.11	119.92
* after direct transaction costs of***	0.03	0.04	0.06
Performance			
Return after charges	12.16%	16.00%	(3.27)%
Other information			
Closing net asset value (£)	2,853,566	2,165,603	1,032,223
Closing number of units	1,828,939	1,556,702	860,777
Operating charges****	0.45%	0.45%	0.45%
Direct transaction costs***	0.02%	0.03%	0.05%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	157.9	140.6	137.6
Lowest unit price	136.1	111.3	114.0

Comparative Tables (continued)

Accumulation 'U2'	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	1 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	112.92	97.19	100.39
Return before operating charges*	14.28	16.04	(2.89)
Operating charges**	(0.37)	(0.31)	(0.31)
Return after operating charges*	13.91	15.73	(3.20)
Distributions	(4.29)	(3.80)	(3.40)
Retained distributions	4.29	3.80	3.40
Closing asset value per unit	126.83	112.92	97.19
* after direct transaction costs of***	0.03	0.03	0.05
Performance			
Return after charges	12.32%	16.18%	(3.19)%
Other information			
Closing net asset value (£)	45,140,099	37,502,996	28,257,606
Closing number of units	35,591,403	33,211,000	29,075,875
Operating charges****	0.30%	0.30%	0.30%
Direct transaction costs***	0.02%	0.03%	0.05%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	128.3	114.2	111.5
Lowest unit price	110.5	90.24	92.30

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual UK Index Fund*	3.38%	11.51%	25.91%	54.61%
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK All Companies (sector average)	4.89%	13.67%	29.97%	69.42%
Quartile ranking	3	3	3	4

* Accumulation 'R' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation

UK Equities	81.02%	Electronic & Electrical Equipment	0.47%
Europe Equities	12.89%	Real Estate Investment & Services	0.44%
North America Equities	2.07%	Industrial Transportation	0.37%
Asia Pacific (excluding Japan) Equities	1.20%	Oil Equipment, Services & Distribution	0.27%
Africa Equities	0.58%	Automobiles & Parts	0.25%
Middle East Equities	0.17%	Technology Hardware & Equipment	0.07%
South America Equities	0.16%	Leisure Goods	0.03%
Derivatives	0.01%		

Net other assets	1.90%	Overseas:	
		Netherlands	7.73%
		Switzerland	2.53%
		Ireland	1.95%
		United States	1.75%
		Australia	1.13%
		South Africa	0.58%
		Germany	0.25%
		Russia	0.16%
		Bermuda	0.15%
		Luxembourg	0.14%
		Chile	0.14%
		United Arab Emirates	0.10%
		Mexico	0.10%
		Georgia	0.07%
		Jordan	0.07%
		France	0.05%
		Cayman Islands	0.04%
		Canada	0.03%
		India	0.03%
		Peru	0.02%
		Malaysia	0.02%
		Singapore	0.02%
		Gibraltar	0.01%
		Derivatives	0.01%
		Net other assets	1.90%

Total 100.00%

Portfolio allocation

United Kingdom:

Banks	10.95%		
Pharmaceuticals & Biotechnology	5.95%		
Tobacco	5.67%		
Equity Investment Instruments	4.21%		
Life Insurance	4.20%		
Support Services	4.15%		
Oil & Gas Producers	4.02%		
Travel & Leisure	3.44%		
Household Goods & Home Construction	3.32%		
Media	3.18%		
Mining	2.76%		
Financial Services	2.66%		
Beverages	2.64%		
Personal Goods	2.52%		
Mobile Telecommunications	2.41%		
Gas, Water & Multiutilities	2.33%		
Real Estate Investment Trusts	1.95%		
Aerospace & Defence	1.93%		
General Retailers	1.79%		
Food & Drug Retailers	1.25%		
Fixed Line Telecommunications	1.08%		
Software & Computer Services	1.06%		
Nonlife Insurance	0.94%		
Industrial Engineering	0.74%		
Food Producers	0.73%		
General Industrials	0.72%		
Health Care Equipment & Services	0.69%		
Chemicals	0.69%		
Electricity	0.63%		
Construction & Materials	0.51%		
		Total	100.00%

Major holdings	Percentage of portfolio
HSBC (UK Listing)	6.08%
British American Tobacco	4.42%
Royal Dutch Shell 'A' (GBP Listing)	4.17%
BP	3.81%
Royal Dutch Shell 'B'	3.55%
GlaxoSmithKline	2.98%
AstraZeneca (UK Listing)	2.58%
Diageo	2.52%
Vodafone	2.29%
Unilever	2.11%
Number of holdings	608

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
United Kingdom 81.03% (30 September 2016 80.04%)			
United Kingdom Equities 81.02% (30 September 2016 79.98%)			
Aerospace & Defence 1.93% (30 September 2016 1.71%)			
2,496	Avon Rubber	23	0.01
285,722	BAE Systems	1,809	0.83
24,052	Chemring	43	0.02
214,800	Cobham	314	0.15
68,332	Meggitt	359	0.17
43,720	QinetiQ	109	0.05
146,242	Rolls-Royce	1,304	0.60
40,856	Senior	113	0.05
6,312	Ultra Electronics	113	0.05
		4,187	1.93
Automobiles & Parts 0.25% (30 September 2016 0.24%)			
155,847	GKN	540	0.25
		540	0.25
Banks 10.95% (30 September 2016 8.96%)			
17,403	Aldermore	40	0.02
1,519,401	Barclays	2,918	1.34
12,672	Close Brothers	187	0.08
76,709	CYBG	232	0.11
1,795,462	HSBC (UK Listing)	13,179	6.08
6,384,676	Lloyds Banking	4,309	1.99
7,144	Metro Bank	239	0.11
293,729	Royal Bank of Scotland	787	0.36
242,812	Standard Chartered (UK Listing)	1,799	0.83
22,704	Virgin Money	65	0.03
		23,755	10.95
Beverages 2.64% (30 September 2016 4.45%)			
8,137	A.G. BARR	50	0.02
23,812	Britvic	178	0.08
221,134	Diageo	5,453	2.52
19,186	Stock Spirits	46	0.02
		5,727	2.64
Chemicals 0.69% (30 September 2016 0.62%)			
5,556	Carclo	7	-
11,238	Croda International	424	0.20
45,090	Elementis	121	0.06
16,799	Johnson Matthey	576	0.27
329,750	Sirius Minerals	84	0.04
23,673	Synthomer	116	0.05
6,774	Victrex	160	0.07
		1,488	0.69

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Construction & Materials 0.51% (30 September 2016 0.31%)			
59,190	Balfour Beatty	159	0.07
6,941	Costain	30	0.01
14,141	Forterra	39	0.02
9,722	Henry Boot	28	0.01
32,526	Ibstock	74	0.03
6,088	Keller	50	0.02
8,496	Kier	97	0.05
18,305	Marshalls	80	0.04
160,083	Melrose Industries	339	0.16
3,831	Morgan Sindall	54	0.03
6,725	Norcros	11	0.01
16,388	Polypipe	69	0.03
16,024	Tyman	51	0.02
10,288	Volution	20	0.01
		1,101	0.51
Electricity 0.63% (30 September 2016 0.77%)			
36,659	Drax	114	0.05
89,720	SSE	1,255	0.58
		1,369	0.63
Electronic & Electrical Equipment 0.47% (30 September 2016 0.42%)			
5,129	Acal	15	0.01
2,917	Dialight	22	0.01
33,982	Halma	377	0.17
26,655	Morgan Advanced Materials	83	0.04
4,752	Oxford Instruments	45	0.02
3,229	Renishaw	154	0.07
10,547	Spectris	253	0.12
13,643	TT electronics	31	0.01
7,225	Xaar	33	0.02
		1,013	0.47
Equity Investment Instruments 4.21% (30 September 2016 3.88%)			
61,264	3i Infrastructure	118	0.05
19,891	Aberdeen Asian Income Fund	43	0.02
4,558	Aberdeen Asian Smaller Companies Investment Trust	47	0.02
9,600	Aberdeen New Dawn Investment Trust	21	0.01
8,806	Aberforth Smaller Companies Trust	115	0.05
32,605	Alliance Trust	232	0.11
3,343	Allianz Technology Trust	35	0.02
27,898	Apax Global Alpha	42	0.02
2,851	Artemis Alpha Trust	8	-
6,910	Baillie Gifford Japan Trust	50	0.02
3,488	Baillie Gifford Shin Nippon	26	0.01
11,038	Bankers Investment Trust	90	0.04
1,232	Baring Emerging Europe	10	-
2,815	BH Global	38	0.02
1,373	BH Macro	27	0.01

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Equity Investment Instruments (continued)			
5,706	Biotech Growth Trust	47	0.02
13,828	BlackRock Frontiers Investment Trust	21	0.01
7,490	BlackRock Greater Europe Investment Trust	24	0.01
13,368	BlackRock Income Strategies Trust	16	0.01
3,118	BlackRock Latin American Investment Trust	15	0.01
26,048	BlackRock New Energy Investment Trust	-	-
9,844	BlackRock North American Income Trust	15	0.01
5,373	BlackRock Smaller Companies Trust	66	0.03
7,359	BlackRock Throgmorton Trust	32	0.01
18,781	BlackRock World Mining Trust	68	0.03
26,573	Bluefield Solar Income Fund	31	0.01
10,519	British Empire Trust	73	0.03
2,544	Brunner Investment Trust	18	0.01
3,050	Caledonia Investments	81	0.04
190	Capital Gearing Trust	7	-
7,826	City Merchants High Yield Trust	15	0.01
28,647	City of London Investment Trust	122	0.06
43,916	CQS New City High Yield Fund	27	0.01
14,259	CVC Credit Partners European Opportunities	16	0.01
9,820	Dexion Absolute	17	0.01
29,055	Diverse Income Trust	29	0.01
14,126	Dunedin Income Growth Investment Trust	36	0.02
2,249	Dunedin Smaller Companies Investment Trust	5	-
15,302	Ecofin Global Utilities and Infrastructure Trust	20	0.01
19,959	Edinburgh Dragon Trust	69	0.03
17,975	Edinburgh Investment Trust	125	0.06
5,711	Edinburgh Worldwide Investment Trust	37	0.02
2,540	Electra Private Equity	42	0.02
11,295	Electric and General Investment Trust	-	-
4,172	EP Global Opportunities Trust	13	0.01
4,940	European Investment Trust	45	0.02
8,635	F&C Capital & Income Investment Trust	27	0.01
5,387	F&C Global Smaller Companies	71	0.03
7,739	F&C Private Equity Trust	26	0.01
8,253	Fidelity Asian Values	31	0.01
1,650	Fidelity Asian Values (Subscription shares)	-	-
30,906	Fidelity China Special Situations	67	0.03
40,110	Fidelity European Values	88	0.04
17,375	Fidelity Special Values	42	0.02
14,422	Finsbury Growth & Income Trust	106	0.05
49,433	Foreign & Colonial Investment Trust	298	0.14
29,633	Foresight Solar Fund	33	0.02
2,683	Fundsmith Emerging Equities Trust	30	0.01
54,974	GCP Infrastructure Investments	69	0.03
12,514	Genesis Emerging Markets Fund	84	0.04
67,766	Greencoat UK Wind	82	0.04
1,045	Hansa Trust	10	-
7,588	HarbourVest Global Private Equity	92	0.04
2,423	Henderson Alternative Strategies Trust	7	-

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Equity Investment Instruments (continued)			
21,809	Henderson Diversified Income Trust	20	0.01
1,459	Henderson European Focus Trust	20	0.01
2,773	Henderson EuroTrust	32	0.02
10,831	Henderson Far East Income	39	0.02
14,285	Henderson High Income Trust	27	0.01
16,737	Henderson Income Trust	27	0.01
7,832	Henderson Smaller Companies Investment Trust	61	0.03
5,974	Herald Investment Trust	65	0.03
2,831	HgCapital Trust	46	0.02
144,365	HICL Infrastructure	224	0.10
12,513	Highbridge Multi-Strategy Fund	27	0.01
6,916	ICG Enterprise Trust	52	0.02
10,130	ICG-Longbow Senior Secured UK Property Debt Investments	10	-
15,575	Impax Environmental Markets	37	0.02
4,614	International Biotechnology Trust	28	0.01
106,765	International Public Partnerships	168	0.08
6,927	Invesco Asia Trust	19	0.01
7,620	Invesco Income Growth Trust	22	0.01
5,353	Invesco Perpetual UK Smaller Companies Investment Trust	27	0.01
15,000	John Laing Environmental Assets	16	0.01
85,040	John Laing Infrastructure Fund	110	0.05
24,170	JPMorgan American Investment Trust	92	0.04
10,980	JPMorgan Asian Investment Trust	38	0.02
9,349	JPMorgan Chinese Investment Trust	25	0.01
4,348	JPMorgan Claverhouse Investment Trust	29	0.01
10,654	JPMorgan Emerging Markets Investment Trust	88	0.04
8,000	JPMorgan European Investment Trust - Growth shares	24	0.01
3,263	JPMorgan European Investment Trust - Income shares	5	-
14,920	JPMorgan European Smaller Companies Trust	58	0.03
24,058	JPMorgan Global Convertibles Income Fund	24	0.01
23,872	JPMorgan Global Emerging Markets Income Trust	30	0.01
11,138	JPMorgan Indian Investment Trust	78	0.04
437	JPMorgan Japan Smaller Companies Trust	2	-
12,999	JPMorgan Japanese Investment Trust	48	0.02
1,901	JPMorgan Mid Cap Investment Trust	21	0.01
9,800	JPMorgan Overseas Investment Trust	30	0.01
4,946	JPMorgan Russian Securities	24	0.01
2,449	JPMorgan Smaller Companies Investment Trust	24	0.01
9,303	Jupiter European Opportunities Trust	63	0.03
2,140	Jupiter US Smaller Companies	18	0.01
1,533	Keystone Investment Trust	26	0.01
10,424	Law Debenture	61	0.03
2,487	Lowland Investment Company	37	0.02
6,312	Majedie Investments	18	0.01
3,831	Martin Currie Asia Unconstrained Trust	14	0.01
10,269	Martin Currie Portfolio Investment Trust	24	0.01
7,716	Mercantile Investment Trust	155	0.07
10,169	Merchants Trust	49	0.02
7,204	Middlefield Canadian Income	7	-
20,484	Monks Investment Trust	144	0.07

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Equity Investment Instruments (continued)			
2,060	Montanaro European Smaller Companies Trust	17	0.01
2,441	Montanaro UK Smaller Companies Investment Trust	14	0.01
6,582	Murray Income Trust	50	0.02
11,796	Murray International Trust	151	0.07
85,450	NB Global Floating Rate Income Fund	81	0.04
3,037	NB Private Equity Partners	30	0.01
4,741	New India Investment Trust	21	0.01
41,374	NextEnergy Solar Fund	46	0.02
2,225	North American Income Trust	27	0.01
1,027	North Atlantic Smaller Companies Investment Trust	27	0.01
7,843	P2P Global Investments	63	0.03
13,458	Pacific Assets Trust	33	0.02
4,039	Pacific Horizon Investment Trust	12	0.01
3,608	Pantheon International	67	0.03
23,465	Perpetual Income and Growth Investment Trust	89	0.04
20,612	Pershing Square Holdings	199	0.09
141	Personal Assets Trust	57	0.03
14,462	Polar Capital Global Financials Trust	19	0.01
7,274	Polar Capital Global Healthcare Growth & Income	14	0.01
12,202	Polar Capital Technology Trust	126	0.06
62,598	Renewables Infrastructure	68	0.03
11,594	RIT Capital Partners	224	0.10
5,132	Riverstone Energy	62	0.03
16,431	Ruffer Investment Company	38	0.02
6,404	Schroder Asian Total Return Investment Trust	21	0.01
16,397	Schroder AsiaPacific Fund	70	0.03
8,010	Schroder Income Growth Fund	23	0.01
13,005	Schroder Japan Growth Fund	25	0.01
18,746	Schroder Oriental Income Fund	47	0.02
21,788	Schroder UK Growth Fund	37	0.02
3,802	Schroder UK Mid Cap Fund	20	0.01
11,497	Scottish American Investment	41	0.02
7,477	Scottish Investment Trust	62	0.03
118,604	Scottish Mortgage Investment Trust	501	0.23
3,297	Scottish Oriental Smaller Companies Trust	34	0.02
8,641	Securities Trust of Scotland	14	0.01
57,314	Sequoia Economic Infrastructure Income Fund	65	0.03
3,168	Standard Life Equity Income Trust	14	0.01
11,314	Standard Life European Private Equity Trust	38	0.02
4,848	Standard Life UK Smaller Companies Trust	22	0.01
23,004	Starwood European Real Estate Finance	25	0.01
5,933	Strategic Equity Capital	13	0.01
32,154	Syncona	60	0.03
6,099	Temple Bar Investment Trust	80	0.04
25,236	Templeton Emerging Markets Investment Trust	189	0.09
4,921	TR European Growth Trust	56	0.03
30,864	TR Property Investment Trust	110	0.05
22,586	Troy Income & Growth Trust	18	0.01
30,313	TwentyFour Income Fund	36	0.02
20,869	Utilico Emerging Markets	45	0.02

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Equity Investment Instruments (continued)			
2,935	Value and Income Trust	8	-
9,597	VinaCapital Vietnam Opportunity Fund	28	0.01
15,981	Witan Investment Trust	163	0.08
8,868	Witan Pacific Investment Trust	28	0.01
73,868	Woodford Patient Capital Trust	70	0.03
3,949	Worldwide Healthcare Trust	100	0.05
		9,128	4.21
Financial Services 2.66% (30 September 2016 2.33%)			
84,127	3i	769	0.35
21,982	Allied Minds	29	0.01
15,713	Arrow Global	67	0.03
36,951	Ashmore	125	0.06
23,966	Brewin Dolphin	83	0.04
2,544	City of London Investment	11	0.01
22,325	Hargreaves Lansdown	327	0.15
32,229	IG	206	0.10
24,924	Intermediate Capital	231	0.11
23,491	International Personal Finance	49	0.02
50,196	IP	66	0.03
1	Janus Henderson	-	-
33,800	John Laing	96	0.04
36,746	Jupiter Fund Management	201	0.09
27,719	London Stock Exchange	1,057	0.49
144,446	Man	241	0.11
27,078	NEX	179	0.08
14,112	OneSavings Bank	57	0.03
24,061	Paragon	105	0.05
13,899	Provident Financial	113	0.05
4,551	Rathbone Brothers	117	0.05
130	S&U	3	-
10,241	Schroders	341	0.16
240,201	Standard Life	1,036	0.48
48,700	TP ICAP	252	0.12
		5,761	2.66
Fixed Line Telecommunications 1.08% (30 September 2016 1.52%)			
749,416	BT	2,132	0.98
46,496	Kcom	45	0.02
47,002	TalkTalk Telecom	97	0.05
6,270	Telecom Plus	68	0.03
		2,342	1.08
Food & Drug Retailers 1.25% (30 September 2016 1.26%)			
141,043	Booker	289	0.14
8,310	Greggs	103	0.05
146,856	J Sainsbury	352	0.16
9,886	McColl's Retail	27	0.01
37,070	Ocado	108	0.05
729,323	Tesco	1,367	0.63
193,607	WM Morrison Supermarkets	458	0.21
		2,704	1.25

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Food Producers 0.73% (30 September 2016 0.67%)		
31,197	Associated British Foods	995	0.46
5,630	Carr's	8	-
4,922	Cranswick	145	0.07
11,844	Dairy Crest	72	0.03
13,822	Devro	33	0.02
2,952	Hilton Food	22	0.01
83,778	Premier Foods	34	0.02
41,459	Tate & Lyle	269	0.12
		1,578	0.73
	Gas, Water & Multiutilities 2.33% (30 September 2016 3.08%)		
486,741	Centrica	911	0.42
307,726	National Grid	2,853	1.31
37,272	Pennon	296	0.14
21,422	Severn Trent	467	0.21
62,119	United Utilities	533	0.25
		5,060	2.33
	General Industrials 0.72% (30 September 2016 0.59%)		
119,457	Coats	93	0.04
84,146	DS Smith	417	0.19
31,863	Low & Bonar	24	0.01
36,625	RPC (UK Listing)	357	0.17
35,468	Smiths	560	0.26
18,731	Vesuvius	110	0.05
		1,561	0.72
	General Retailers 1.79% (30 September 2016 1.90%)		
17,909	AO World	20	0.01
21,409	Card Factory	64	0.03
4,620	Carpentright	9	-
111,181	Debenhams	55	0.03
14,017	DFS Furniture	30	0.01
4,228	Dignity	97	0.04
90,875	Dixons Carphone	172	0.08
8,197	Dunelm	58	0.03
9,277	Findel	16	0.01
18,117	Halfords	63	0.03
35,699	Inchcape	308	0.14
33,985	JD Sports Fashion	128	0.06
50,645	Just Eat	339	0.16
202,496	Kingfisher	604	0.28
29,181	Lookers	35	0.02
147,843	Marks & Spencer	524	0.24
14,983	Mothercare	15	0.01
13,397	N Brown	47	0.02
12,681	Next	668	0.31
153,721	Pendragon	48	0.02
32,905	Pets at Home	72	0.03

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
General Retailers (continued)			
104,837	Saga	205	0.09
23,557	Sports Direct	97	0.04
18,411	Topps Tiles	14	0.01
9,664	WH Smith	199	0.09
		3,887	1.79
Health Care Equipment & Services 0.69% (30 September 2016 0.57%)			
7,929	Cambian	16	0.01
4,727	Consort Medical	52	0.02
116,384	ConvaTec	317	0.15
77,569	Smith & Nephew	1,050	0.48
27,245	Spire Healthcare	61	0.03
		1,496	0.69
Household Goods & Home Construction 3.32% (30 September 2016 3.18%)			
91,038	Barratt Developments	556	0.26
11,031	Bellway	361	0.17
11,357	Berkeley	421	0.19
11,974	Bovis Homes	129	0.06
24,802	Countryside Properties	85	0.04
23,324	Crest Nicholson	126	0.06
7,406	Galliford Try	100	0.05
9,725	Headlam	57	0.03
19,054	McBride	40	0.02
50,460	McCarthy & Stone	75	0.03
3,596	MJ Gleeson	23	0.01
27,904	Persimmon	719	0.33
55,700	Reckitt Benckiser	3,808	1.75
21,108	Redrow	125	0.06
295,335	Taylor Wimpey	571	0.26
		7,196	3.32
Industrial Engineering 0.74% (30 September 2016 0.63%)			
17,802	Bodycote	162	0.08
17,856	Fenner	59	0.03
304	Goodwin	5	-
6,504	Hill & Smith	81	0.04
24,647	IMI	305	0.14
3,805	Porvair	18	0.01
18,226	Renold	10	-
78,230	Rotork	202	0.09
12,607	Severfield	8	-
6,593	Spirax-Sarco Engineering	363	0.17
12,402	Trifast	25	0.01
19,155	Weir	375	0.17
		1,613	0.74
Industrial Transportation 0.37% (30 September 2016 0.39%)			
88,758	BBA Aviation	265	0.12
2,208	Clarkson	63	0.03
3,556	James Fisher & Sons	55	0.03

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Industrial Transportation (continued)			
83,097	Royal Mail	320	0.15
27,274	Stobart	73	0.03
7,977	Wincanton	19	0.01
		795	0.37
Leisure Goods 0.03% (30 September 2016 0.01%)			
1,939	Games Workshop	38	0.02
16,699	Photo-Me International	29	0.01
		67	0.03
Life Insurance 4.20% (30 September 2016 3.95%)			
361,841	Aviva	1,869	0.86
14,063	Chesnara	55	0.02
39,551	JRP	59	0.03
526,669	Legal & General	1,374	0.63
420,659	Old Mutual	814	0.38
35,290	Phoenix	266	0.12
231,359	Prudential	4,133	1.91
47,398	St James's Place	545	0.25
		9,115	4.20
Media 3.18% (30 September 2016 3.58%)			
2,039	4imprint	37	0.02
37,185	Ascential	130	0.06
86,419	Auto Trader	339	0.16
4,499	Bloomsbury Publishing	7	-
3,201	Euromoney Institutional Investor	37	0.02
29,158	Gocompare.com	30	0.01
74,015	Informa	493	0.23
21,823	ITE	39	0.02
341,390	ITV	592	0.27
46,767	Moneysupermarket.com	150	0.07
74,667	Pearson	455	0.21
95,673	RELX (UK Listing)	1,561	0.72
8,012	Rightmove	324	0.15
91,333	Sky	835	0.38
3,570	STV	13	0.01
22,156	Trinity Mirror	19	0.01
35,170	UBM	238	0.11
110,322	WPP	1,515	0.70
21,461	Zoopla Property	77	0.03
		6,891	3.18
Mining 2.76% (30 September 2016 2.40%)			
12,872	Acacia Mining	24	0.01
99,927	Anglo American	1,333	0.62
96,727	Centamin	138	0.06
8,881	Gem Diamonds	7	-
19,507	KAZ Minerals	149	0.07
250,000	Petropavlovsk	20	0.01
8,266	Randgold Resources	608	0.28
106,548	Rio Tinto (UK Listing)	3,706	1.71
		5,985	2.76

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Mobile Telecommunications 2.41% (30 September 2016 2.71%)			
40,672	Inmarsat	258	0.12
2,384,329	Vodafone	4,963	2.29
		5,221	2.41
Nonlife Insurance 0.94% (30 September 2016 0.93%)			
18,294	Admiral	331	0.15
46,454	Beazley	221	0.10
125,747	Direct Line Insurance	460	0.21
29,158	esure	82	0.04
22,983	Hastings	69	0.03
11,777	Jardine Lloyd Thompson	143	0.06
18,722	Lancashire	125	0.06
5,018	Novae	36	0.02
92,658	RSA Insurance	579	0.27
		2,046	0.94
Oil & Gas Producers 4.02% (30 September 2016 3.92%)			
1,724,251	BP	8,254	3.81
52,150	Cairn Energy	100	0.05
95,463	EnQuest	26	0.01
60,619	Ophir Energy	44	0.02
46,423	Premier Oil	32	0.01
19,966	Soco International	23	0.01
123,038	Tullow Oil	229	0.11
		8,708	4.02
Oil Equipment, Services & Distribution 0.27% (30 September 2016 0.34%)			
36,104	Amec Foster Wheeler	185	0.09
11,888	Hunting	57	0.03
33,167	John Wood	226	0.10
25,201	Petrofac	115	0.05
		583	0.27
Personal Goods 2.52% (30 September 2016 2.31%)			
39,237	Burberry	692	0.32
9,405	Jimmy Choo	22	0.01
15,576	PZ Cussons	49	0.02
4,577	SuperGroup	78	0.03
2,291	Ted Baker	60	0.03
105,460	Unilever	4,568	2.11
		5,469	2.52
Pharmaceuticals & Biotechnology 5.95% (30 September 2016 6.63%)			
113,340	AstraZeneca (UK Listing)	5,581	2.58
34,391	BTG	233	0.11
16,061	Circassia Pharmaceuticals	13	0.01
8,762	Dechra Pharmaceuticals	177	0.08
5,506	Genus	114	0.05
432,453	GlaxoSmithKline	6,461	2.98
66,180	Indivior	224	0.10
236,119	Oxford Biomedica	22	0.01
66,379	Vectura	71	0.03
		12,896	5.95

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Real Estate Investment & Services 0.44% (30 September 2016 0.43%)			
67,539	Capital & Counties Properties	178	0.08
17,980	CLS	36	0.02
14,611	Countrywide	16	0.01
382	Daejan	22	0.01
49,314	F&C Commercial Property Trust	74	0.03
24,798	Foxtons	17	0.01
38,654	Grainger	102	0.05
9,111	Helical Bar	27	0.01
8,449	Kennedy Wilson Europe Real Estate	92	0.04
6,246	LSL Property Services	15	0.01
4,082	Macau Property Opportunities Fund	7	-
34,309	Medicx Fund	31	0.01
59,839	Picton Property Income	50	0.02
26,843	Raven Russia	13	0.01
12,976	Savills	120	0.06
17,490	ST Modwen Properties	65	0.03
10,198	U and I	19	0.01
65,414	UK Commercial Property Trust	60	0.03
		944	0.44
Real Estate Investment Trusts 1.95% (30 September 2016 1.94%)			
135,628	Assura	84	0.04
14,017	Big Yellow	106	0.05
93,558	British Land	567	0.26
52,041	Capital & Regional	29	0.01
20,640	Civitas Social Housing	23	0.01
18,927	Custodian REIT	22	0.01
8,991	Derwent London	250	0.11
45,403	Empiric Student Property	46	0.02
21,470	F&C UK Real Estate Investment	23	0.01
31,851	GCP Student Living	46	0.02
27,053	Great Portland Estates	166	0.08
71,724	Hammerson	385	0.18
69,353	Hansteen	96	0.04
79,048	Intu Properties	183	0.08
64,797	Land Securities	633	0.29
52,997	Londonmetric Property	88	0.04
23,809	NewRiver REIT	80	0.04
62,111	Primary Health Properties PHP LN	76	0.03
103,097	Redefine International	39	0.02
20,759	Regional REIT	22	0.01
20,568	Safestore	89	0.04
57,864	Schroder Real Estate Investment Trust	35	0.02
90,700	Segro	484	0.22
20,341	Shaftesbury	207	0.10
37,835	Standard Life Investment Property Income Trust	34	0.02
5,628	Town Centre Securities	17	0.01
117,871	Tritax Big Box REIT	167	0.08
20,613	Unite	140	0.06
11,220	Workspace	99	0.05
		4,236	1.95

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Software & Computer Services 1.06% (30 September 2016 0.81%)		
8,900	Alfa Financial Software	44	0.02
6,183	AVEVA	151	0.07
6,498	Computacenter	63	0.03
7,798	FDM	75	0.03
3,408	Fidessa	76	0.04
7,963	Kainos	23	0.01
38,103	Micro Focus International	916	0.42
24,459	NCC	52	0.02
97,910	Sage	683	0.32
7,677	SDL	37	0.02
8,285	Servelec	20	0.01
7,640	Softcat	32	0.01
22,041	Sophos	120	0.06
		2,292	1.06
	Support Services 4.15% (30 September 2016 3.41%)		
55,770	AA	93	0.04
21,312	Aggreko	200	0.09
44,913	Ashtead	811	0.37
43,375	Babcock International	362	0.17
9,188	Biffa	21	0.01
30,334	Bunzl	690	0.32
57,921	Capita	328	0.15
41,873	Carillion	24	0.01
3,354	Charles Taylor	9	-
27,422	Connect	28	0.01
9,202	De La Rue	59	0.03
10,368	Diploma	111	0.05
39,377	Electrocomponents	245	0.11
24,036	Equiniti	69	0.03
5,150	Equiniti (Rights)	5	-
24,785	Essentra	135	0.06
84,648	Experian	1,273	0.59
137,596	G4S	383	0.18
121,028	Hays	231	0.11
28,807	Hogg Robinson	22	0.01
23,643	HomeServe	197	0.09
54,686	Howden Joinery	236	0.11
10,607	HSS Hire	4	-
14,108	Interserve	16	0.01
14,163	Intertek	705	0.33
6,162	John Menzies	44	0.02
9,273	Mears	42	0.02
33,808	Mitie	87	0.04
11,374	Northgate	49	0.02
29,608	Pagegroup	147	0.07
7,116	PayPoint	68	0.03
42,962	Paysafe	250	0.12
48,295	Renewi	48	0.02
165,440	Rentokil Initial	495	0.23
4,433	Ricardo	36	0.02

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Support Services (continued)			
4,931	Robert Walters	27	0.01
19,555	RPS	55	0.03
11,639	Sanne	94	0.04
106,892	Serco	126	0.06
51,780	SIG	92	0.04
49,742	Speedy Hire	25	0.01
10,728	SThree	37	0.02
22,539	Travis Perkins	329	0.15
1,693	VP	14	0.01
164,626	Worldpay	671	0.31
		8,993	4.15
Technology Hardware & Equipment 0.07% (30 September 2016 0.09%)			
23,429	Imagination Technologies	39	0.02
42,717	Laird	61	0.03
18,266	Nanoco	5	-
53,383	Spirent Communications	51	0.02
		156	0.07
Tobacco 5.67% (30 September 2016 5.74%)			
204,635	British American Tobacco	9,590	4.42
85,206	Imperial Brands	2,712	1.25
		12,302	5.67
Travel & Leisure 3.44% (30 September 2016 3.30%)			
16,233	Cineworld	108	0.05
140,934	Compass	2,237	1.03
45,594	Domino's Pizza (UK Listing)	140	0.06
22,559	easyJet	276	0.13
45,047	Enterprise Inns	63	0.03
110,549	First	130	0.06
3,370	Fuller Smith & Turner	34	0.02
3,803	Go-Ahead	64	0.03
27,445	Greene King	152	0.07
27,079	GVC Holdings	222	0.10
17,223	InterContinental Hotels	677	0.31
149,053	International Consolidated Airlines (UK Listing)	890	0.41
5,470	J D Wetherspoon	69	0.03
152,224	Ladbrokes Coral	187	0.09
52,746	Marston's	57	0.03
64,375	Merlin Entertainments	288	0.13
11,019	Millennium & Copthorne Hotels	49	0.02
21,797	Mitchells & Butlers	55	0.02
38,191	National Express	135	0.06
5,499	On the Beach	22	0.01
25,101	Playtech	229	0.11
19,430	Rank	42	0.02
18,592	Restaurant	56	0.03
42,657	SSP	231	0.11

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Travel & Leisure (continued)		
42,572	Stagecoach	72	0.03
122,392	Thomas Cook	147	0.07
16,643	Whitbread	626	0.29
78,537	William Hill	198	0.09
		7,456	3.44
	United Kingdom Derivatives 0.01% (30 September 2016 0.06%)		
	Sterling Denominated Futures Contracts 0.01% (30 September 2016 0.06%)		
39	FTSE 100 Index Futures December 2017	8	-
27	FTSE 250 Index Futures December 2017	10	0.01
		18	0.01
	Overseas 17.07% (30 September 2016 16.48%)		
	Africa 0.58% (30 September 2016 0.60%)		
	South Africa Equities 0.58% (30 September 2016 0.60%)		
57,736	Investec	313	0.14
23,269	Lonmin	16	0.01
35,642	Mediclinic International	232	0.11
33,413	Mondi	669	0.31
43,085	Petra Diamonds	34	0.01
		1,264	0.58
	Asia Pacific (excluding Japan) 1.20% (30 September 2016 1.12%)		
	Australia Equities 1.13% (30 September 2016 1.07%)		
185,971	BHP Billiton (UK Listing)	2,461	1.13
		2,461	1.13
	India Equities 0.03% (30 September 2016 0.02%)		
6,748	Vedanta Resources	59	0.03
		59	0.03
	Malaysia Equities 0.02% (30 September 2016 0.00%)		
8,938	PureCircle	44	0.02
		44	0.02
	Singapore Equities 0.02% (30 September 2016 0.03%)		
1,450	XP Power (UK Listing)	40	0.02
		40	0.02
	Europe 12.89% (30 September 2016 11.84%)		
	France Equities 0.05% (30 September 2016 0.00%)		
6,162	Elis	121	0.05
		121	0.05

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Georgia Equities 0.07% (30 September 2016 0.05%)		
3,341	BGEO	109	0.05
3,058	TBC Bank	50	0.02
		<u>159</u>	<u>0.07</u>
	Germany Equities 0.25% (30 September 2016 0.22%)		
51,749	Sirius Real Estate	32	0.02
39,458	TUI	502	0.23
		<u>534</u>	<u>0.25</u>
	Gibraltar Equities 0.01% (30 September 2016 0.00%)		
12,670	888 Holdings	32	0.01
		<u>32</u>	<u>0.01</u>
	Ireland Equities 1.95% (30 September 2016 2.51%)		
74,801	CRH (UK Listing)	2,110	0.97
8,050	DCC	580	0.27
19,670	Grafton	163	0.08
57,111	Greencore	110	0.05
11,353	Hostelworld	40	0.02
7,464	Paddy Power Belfair	553	0.25
21,378	Smurfit Kappa (UK Listing)	506	0.23
20,793	UDG Healthcare	175	0.08
		<u>4,237</u>	<u>1.95</u>
	Luxembourg Equities 0.14% (30 September 2016 0.18%)		
63,220	B&M European Value Retail	245	0.11
44,389	BBGI SICAV Fund	63	0.03
		<u>308</u>	<u>0.14</u>
	Netherlands Equities 7.73% (30 September 2016 6.97%)		
6,798	Nostrum Oil & Gas	28	0.01
400,932	Royal Dutch Shell 'A' (GBP Listing)	9,037	4.17
335,454	Royal Dutch Shell 'B'	7,705	3.55
		<u>16,770</u>	<u>7.73</u>
	Russia Equities 0.16% (30 September 2016 0.15%)		
47,715	Evraz	150	0.07
23,486	Polymetal	197	0.09
		<u>347</u>	<u>0.16</u>
	Switzerland Equities 2.53% (30 September 2016 1.76%)		
17,724	Coca-Cola HBC	445	0.20
11,298	Ferrexpo	33	0.02
1,042,817	Glencore	3,579	1.65
60,875	IWG	186	0.09
4,486	Wizz Air	128	0.06
22,601	Wolseley	1,106	0.51
		<u>5,477</u>	<u>2.53</u>

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Middle East 0.17% (30 September 2016 0.17%)		
	Jordan Equities 0.07% (30 September 2016 0.12%)		
12,686	Hikma Pharmaceuticals	149	0.07
		149	0.07
	United Arab Emirates Equities 0.10% (30 September 2016 0.05%)		
11,667	Gulf Marine Services	6	-
23,841	Lamprell	21	0.01
6,942	NMC Health	191	0.09
		218	0.10
	North America 2.07% (30 September 2016 2.64%)		
	Bermuda Equities 0.15% (30 September 2016 0.13%)		
24,818	Hiscox	318	0.15
		318	0.15
	Canada Equities 0.03% (30 September 2016 0.04%)		
28,264	Entertainment One	73	0.03
		73	0.03
	Cayman Islands Equities 0.04% (30 September 2016 0.03%)		
20,930	Vietnam Enterprise Investments	82	0.04
		82	0.04
	Mexico Equities 0.10% (30 September 2016 0.14%)		
15,366	Fresnillo	217	0.10
		217	0.10
	United States Equities 1.75% (30 September 2016 2.30%)		
15,851	Carnival	756	0.35
12,458	Puretech Health	16	0.01
79,625	Shire (UK Listing)	3,026	1.39
		3,798	1.75
	South America 0.16% (30 September 2016 0.11%)		
	Chile Equities 0.14% (30 September 2016 0.08%)		
31,514	Antofagasta	299	0.14
		299	0.14
	Peru Equities 0.02% (30 September 2016 0.03%)		
22,578	Hochschild Mining	51	0.02
		51	0.02
	Investment assets	212,737	98.10
	Net other assets	4,117	1.90
	Total net assets	216,854	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital gains	2		17,771		21,510
Revenue	3	8,306		7,792	
Expenses	4	(1,069)		(965)	
Net revenue before taxation		7,237		6,827	
Taxation	5	(12)		(17)	
Net revenue after taxation			7,225		6,810
Total return before distributions			24,996		28,320
Distributions	6		(7,225)		(6,810)
Change in net assets attributable to unitholders from investment activities			17,771		21,510

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		208,808		184,076
Amounts received on issue of units	47,642		31,647	
Amounts paid on cancellation of units	(64,484)		(35,222)	
		(16,842)		(3,575)
Dilution adjustment		19		29
Change in net assets attributable to unitholders from investment activities		17,771		21,510
Retained distribution on accumulation units		7,098		6,768
Closing net assets attributable to unitholders		216,854		208,808

The notes on pages 183 to 190 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		212,737	201,544
Current assets			
Debtors	7	2,071	2,065
Cash and bank balances	8	2,367	5,649
Total assets		217,175	209,258
Liabilities			
Investment liabilities		-	(1)
Creditors			
Bank overdrafts	9	(46)	-
Other creditors	10	(275)	(449)
Total liabilities		(321)	(450)
Net assets attributable to unitholders		216,854	208,808

The notes on pages 183 to 190 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual UK Index Fund are included on pages 211 to 212.

2 Net capital gains

The net capital gains on investments comprise:

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Gains on non-derivative securities	17,067	21,207
Gains on derivative contracts	694	324
Gains/(losses) on currency contracts	21	(9)
Handling charges	(11)	(12)
Net capital gains	17,771	21,510

3 Revenue

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Bank interest	1	6
Interest on debt securities	-	3
Non-taxable overseas dividends	470	547
Taxable distributions on Offshore Funds	1	-
UK dividends	7,720	7,137
UK REIT dividends	114	99
Total revenue	8,306	7,792

4 Expenses

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Manager's periodic charge	777	703
Fixed expenses*	313	280
Fixed expense rebate*	(21)	(18)
Total expenses	1,069	965

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Fixed expense rebate related to a percentage of the fixed expenses refunded back to the sub-fund by the Manager to reduce the overall fees being charged. This is currently 0.05% the Accumulation U2 share class. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	12	17
Total current tax charge for the year	12	17
Deferred tax charge for the year (see note 5(c))	-	-
Total taxation for the year (see note 5(b))	12	17

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below:		
Net revenue before taxation	7,237	6,827
Corporation tax at 20% (30 September 2016: 20%)	1,447	1,365
Effects of:		
Excess management expenses for which no relief taken	191	171
Revenue not subject to taxation – UK	(1,544)	(1,427)
Non-taxable overseas dividends	(94)	(109)
Overseas tax suffered	12	17
Total tax charge for the year (see note 5(a))	12	17

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 5(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £36,765,203 (30 September 2016: £35,813,850), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

6 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Interim – Accumulation units (31 March)	3,108	3,103
Final – Accumulation units (30 September)	3,990	3,665
	7,098	6,768
Revenue deducted on cancellation of units	528	315
Revenue received on issue of units	(401)	(273)
Distributions	7,225	6,810

Details of the interim and final distributions per unit are set out in the tables on page 191.

7 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	412	379
Amounts receivable for issue of units	1,612	1,679
Income tax recoverable	-	1
Overseas tax recoverable	6	4
Sales awaiting settlement	41	2
Total debtors	2,071	2,065

8 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Amounts held at futures clearing houses and brokers	199	313
Cash and bank balances	2,168	5,336
Total cash and bank balances	2,367	5,649

9 Bank overdrafts

	30.09.17 £'000	30.09.16 £'000
Cash and bank overdrafts	46	-
Total overdrafts	46	-

10 Other creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	127	125
Accrued expenses	49	48
Amounts payable for cancellation of units	99	276
Total creditors	275	449

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the statement of change in net assets attributable to unitholders on page 181. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting year in respect of transactions of units in each sub-fund are disclosed in notes 7 and 10. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the year end are disclosed in note 10.

The sub-fund held the following securities and earned the noted income in related sub-funds throughout the year to 30 September 2017:

Shares	Security Name	Market Value £'000	Gross Income Earned £'000
420,659	Old Mutual	814	30

12 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

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

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

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

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

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

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

b) Foreign currency risk

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

The direct foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	30.09.17	30.09.17	30.09.17	30.09.16	30.09.16	30.09.16
	£'000	£'000	£'000	£'000	£'000	£'000
Euro	30	121	151	31	-	31
US Dollar	(27)	-	(27)	19	-	19
Total	3	121	124	50	-	50

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £6,178 or 0.00% (30 September 2016: £2,486 or 0.00%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 September 2017 (30 September 2016) was as follows:

Currency	Floating rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Euro	-	-	151	151
Sterling	2,367	-	214,638	217,005
US Dollar	-	-	19	19
Total	2,367	-	214,808	217,175

Currency	Floating rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	9	-	22	31
Sterling	5,636	-	203,572	209,208
US Dollar	4	-	15	19
Total	5,649	-	203,609	209,258

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17			
Sterling	-	(275)	(275)
US Dollar	(46)	-	(46)
Total	(46)	(275)	(321)

Currency	Variable rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16			
Sterling	-	(450)	(450)
Total	-	(450)	(450)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

12 Derivatives and other financial instruments (continued)

e) Counterparty risk

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

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

	Credit default swaps exposure	Interest rate swaps exposure	Futures and options exposure	Forward foreign exchange contracts exposure	Collateral pledged
Exposure Table 30.09.17					
Counterparty	£'000	£'000	£'000	£'000	£'000
Barclays	-	-	18	-	-
Exposure Table 30.09.16					
Counterparty	£'000	£'000	£'000	£'000	£'000
Barclays	-	-	199	-	-

Positive exposure represents the sub-fund's exposure to that counterparty and not the sub-fund's holdings with that counterparty.

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 unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £10,636,859 or 4.91% (30 September 2016: £10,077,163 or 4.83%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	212,720	-	201,527	(1)
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	17	-	17	-
Total	212,737	-	201,544	(1)

i) Global exposure

The Investment Adviser assesses the market risk of the Old Mutual UK Index Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

13 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

14 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Equities
Collective Investment Schemes
Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
10,560	2	0.01%	45	0.42%
486	-	0.02%	-	0.07%
465	-	-	-	-
11,511	2		45	
11,558				

30.09.16

Equities
Collective Investment Schemes
Corporate actions

Total

Total purchases including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
12,818	1	0.01%	51	0.39%
279	-	0.01%	1	0.23%
700	-	-	-	-
13,797	1		52	
13,850				

Analysis of total sale costs

30.09.17

Equities
Collective Investment Schemes
Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
11,801	2	0.02%	-	-
493	-	0.01%	-	-
4,958	-	-	-	-
17,252	2		-	
17,250				

30.09.16

Equities
Collective Investment Schemes
Corporate actions

Total

Total sales including transaction costs

Value £'000	Commissions £'000	%	Other costs £'000	%
13,026	1	0.01%	-	-
164	-	0.03%	-	-
2,993	-	-	-	-
16,183	1		-	
16,182				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17	30.09.16
0.00%	0.00%
0.02%	0.03%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.09% (30 September 2016: 0.11%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

15 Unitholders' funds

The sub-fund currently has three unit classes: Accumulation 'A', Accumulation 'R' and Accumulation 'U2'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	0.40%	0.40%
- Accumulation 'R'	0.30%	0.30%
- Accumulation 'U2'	0.20%	0.20%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	120,236,935	18,144,482	(31,246,771)	-	107,134,646
- Accumulation 'R'	1,556,702	991,575	(719,338)	-	1,828,939
- Accumulation 'U2'	33,211,000	15,605,746	(13,225,343)	-	35,591,403

16 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	2.8581	-	2.8581	2.4390
Group 2	1.2406	1.6175	2.8581	2.4390
Accumulation 'R' Units				
Group 1	2.9060	-	2.9060	2.4755
Group 2	1.1955	1.7105	2.9060	2.4755
Accumulation 'U2' Units				
Group 1	2.4554	-	2.4554	2.0888
Group 2	1.4343	1.0211	2.4554	2.0888

Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units				
Group 1	2.1053	-	2.1053	1.9842
Group 2	1.1054	0.9999	2.1053	1.9842
Accumulation 'R' Units				
Group 1	2.1550	-	2.1550	2.0228
Group 2	0.5374	1.6176	2.1550	2.0228
Accumulation 'U2' Units				
Group 1	1.8376	-	1.8376	1.7145
Group 2	0.9587	0.8789	1.8376	1.7145

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

Old Mutual Woodford Equity Income Fund

Launch date	9 October 2014
IA Sector	UK Equity Income
Investment adviser	Woodford Investment Management Limited
Net asset value	£212,346,233

Objective

To achieve income together with capital growth.

Policy

The sub-fund will invest primarily in UK listed companies, but may also invest in overseas equities, other transferable securities, money market instruments, warrants, collective investment schemes and deposits. The sub-fund may make use of derivatives for investment purposes (gaining both long and short exposure to the underlying assets) and for efficient portfolio management. The use of derivatives for this purpose may affect the volatility or risk profile of the sub-fund although this is not the Manager's intention.

Whilst the sub-fund may be substantially similar to the CF Woodford Equity Income Fund it will not be identical in terms of the assets held, for instance, the sub-fund may have different exposure to unlisted securities.

Investment Manager's review

The sub-fund delivered a marginally positive return during the year but trailed the performance of the broader UK stock market. This relative underperformance can be attributed, in part, to the portfolio's absence from parts of the market that performed most strongly.

Performance was, however, also impacted by adverse share price movements from some stocks within the portfolio. Most prominently, Provident Financial experienced significant operational disruption in its household consumer credit division. This has been very disappointing for the company and its investors, but we believe that the market has substantially overreacted to the news. We have maintained our exposure to the business, believing that Provident Financial will recover from these temporary problems, although we acknowledge that it may take some time to do so.

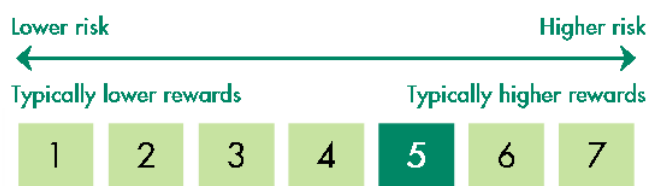
Early-stage technology companies 4D Pharma, Thin Film Electronics and Vernalis also hindered performance. Businesses such as these may take a long time to fulfil their potential, but the stock market is not well-endowed with patience. Sometimes this can manifest itself in share price weakness which cannot be explained by fundamentals – although this can be frustrating, it is also an opportunity that long term investors can exploit.

More positively, Purplebricks made the largest positive contribution to returns. The company continues to deliver rapid growth in the UK as it significantly disrupts the traditional estate agency business model – it is now also replicating this success in Australia and the US. Other positive performers included Hostelworld, the leading online hostel booking platform which continues to deliver strong growth and investor services provider Equiniti, whose acquisition of Wells Fargo's share registration business was well received by the market.

The sub-fund is exposed to what we believe to be the most attractively valued parts of our investment universe. We believe the market consensus has become far too complacent about the outlook for global growth, with conditions in China particularly troubling. Meanwhile, investors have become too cautious about the prospects of the UK economy. This view has led us to introduce a number of new positions in the form of high quality, compellingly valued UK businesses such as Lloyds, Barratt Developments and Taylor Wimpey. The sub-fund remains exposed to more globally facing businesses such as AstraZeneca and Imperial Brands, but this part of the portfolio has reduced in size in recent months on valuation grounds.

As long term investors, sometimes what we're doing won't chime with market sentiment. Although in the short term this is painful, our response is to continuously retest our investment hypothesis. In doing so, we repeatedly return to the same conclusion – our strategy is very appropriate for the prevailing economic and market conditions and we remain confident of delivering what investors expect over the long term.

Risk and Reward Profile



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

Sub-funds in category 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 - there is no guarantee that the sub-fund will achieve its objective. A capital loss of some or all of the amount invested may occur.

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

Smaller companies risk - smaller companies are subject to greater risk and reward potential. Investments may be volatile or difficult to buy or sell.

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

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. The value of your units 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 their contractual obligations.

Capital erosion risk - the sub-fund takes its charges from the 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.

Performance record

Comparative Tables

Accumulation 'A'†	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	9 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	125.81	112.21	100.00
Return before operating charges*	1.37	15.43	14.02
Operating charges**	(1.97)	(1.83)	(1.81)
Return after operating charges*	(0.60)	13.60	12.21
Distributions	(3.69)	(3.49)	(3.53)
Retained distributions	3.69	3.49	3.53
Closing asset value per unit	125.21	125.81	112.21
* after direct transaction costs of***	0.18	0.44	1.18
Performance			
Return after charges	(0.48%)	12.12%	12.21%
Other information			
Closing net asset value (£)	35,920,622	44,926,221	28,639,257
Closing number of units	28,687,844	35,710,812	25,522,274
Operating charges****	1.56%	1.56%	1.56%
Direct transaction costs***	0.15%	0.38%	1.01%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	135.0	130.4	124.0
Lowest unit price	118.6	107.1	96.43

Accumulation 'U2'†	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	9 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	128.27	113.36	100.00
Return before operating charges*	1.42	15.69	14.12
Operating charges**	(0.84)	(0.78)	(0.76)
Return after operating charges*	0.58	14.91	13.36
Distributions	(3.78)	(3.54)	(3.59)
Retained distributions	3.78	3.54	3.59
Closing asset value per unit	128.85	128.27	113.36
* after direct transaction costs of***	0.19	0.45	1.18
Performance			
Return after charges	0.45%	13.15%	13.36%
Other information			
Closing net asset value (£)	51,041,261	80,870,778	37,587,932
Closing number of units	39,613,542	63,049,125	33,158,793
Operating charges****	0.65%	0.65%	0.65%
Direct transaction costs***	0.15%	0.38%	1.01%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	138.6	132.9	125.1
Lowest unit price	121.1	108.5	96.43

Comparative Tables (continued)

Income 'U2'†	1 October 2016 to 30 September 2017 p/unit	1 October 2015 to 30 September 2016 p/unit	9 October 2014 to 30 September 2015 p/unit
Change in net assets per unit			
Opening net asset value per unit	120.26	109.47	100.00
Return before operating charges*	1.35	14.90	12.84
Operating charges**	(0.78)	(0.74)	(0.75)
Return after operating charges*	0.57	14.16	12.09
Distributions	(3.51)	(3.37)	(2.62)
Retained distributions	-	-	-
Closing asset value per unit	117.32	120.26	109.47
* after direct transaction costs of***	0.18	0.43	1.16
Performance			
Return after charges	0.47%	12.94%	12.09%
Other information			
Closing net asset value (£)	125,384,350	142,597,682	49,869,096
Closing number of units	106,874,132	118,572,273	45,556,900
Operating charges****	0.65%	0.65%	0.65%
Direct transaction costs***	0.15%	0.38%	1.01%
Prices	pence per unit	pence per unit	pence per unit
Highest unit price	127.7	125.3	121.9
Lowest unit price	113.6	104.2	96.44

† From 9 October 2014

** The operating charges include all costs borne by the sub-fund, except for direct transaction costs.

*** The direct transaction costs are made up of fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges as well as transfer taxes and duties. They do not include any difference between the quoted bid and offer prices or internal administrative or holding costs. These costs arise as a result of transactions undertaken both for efficient portfolio management and the meeting of the sub-fund's objectives. These costs exclude any effect of dilution adjustments used to offset the costs.

**** The operating charges percentage is the equivalent of the ongoing charges figure per the prior year accounts. It is the ratio of the sub-fund's ongoing charges (excluding interest on borrowings) to the average net assets of the sub-fund. If the unit class launched during the period the operating charges figures are annualised.

Performance

	6 months to 30 September 2017	1 year to 30 September 2017	3 years to 30 September 2017	5 years to 30 September 2017
Old Mutual Woodford Equity Income Fund*	(0.08)%	0.62%	-	-
FTSE All Share (benchmark)	3.58%	11.94%	27.77%	61.21%
IA UK Equity Income (sector average)	3.74%	10.84%	28.71%	69.14%
Quartile ranking	4	4	-	-

* Accumulation 'U2' units

Data Source – Factset. Figures are calculated on a total return and single price basis, with net income reinvested into the sub-fund.

Asset allocation		Major holdings	Percentage of portfolio
UK Equities	79.88%	AstraZeneca (UK Listing)	8.83%
Europe Equities	15.56%	Prothena	6.87%
North America Equities	5.39%	Imperial Brands	5.71%
		Theravance Biopharma	5.37%
Net other liabilities	(0.83)%	Legal & General	4.85%
		Lloyds Banking	3.61%
Total	100.00%	IDEX Asa	2.77%
		Thin Film Electronics	2.61%
		Purplebricks	2.48%
		NewRiver REIT	2.24%
Portfolio allocation		Number of holdings	
United Kingdom:		56	
Pharmaceuticals & Biotechnology	16.94%		
Support Services	10.70%		
Financial Services	10.54%		
Real Estate Investment & Services	5.95%		
Household Goods & Home Construction	5.78%		
Tobacco	5.71%		
Banks	5.52%		
Life Insurance	4.85%		
Construction & Materials	3.09%		
Industrial Transportation	2.73%		
Real Estate Investment Trusts	2.24%		
General Retailers	2.14%		
Health Care Equipment & Services	1.60%		
Industrial Engineering	1.16%		
Equity Investment Instruments	0.87%		
General Industrials	0.06%		
Overseas:			
Ireland Equities	10.18%		
Norway Equities	5.38%		
Cayman Islands Equities	5.37%		
United States Equities	0.02%		
Net other liabilities	(0.83)%		
Total	100.00%		

Portfolio statement

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 79.88% (30 September 2016 80.70%)		
	United Kingdom Equities 79.88% (30 September 2016 80.70%)		
	Banks 5.52% (30 September 2016 0.00%)		
11,364,215	Lloyds Banking	7,670	3.61
1,507,572	Royal Bank of Scotland	4,042	1.91
		11,712	5.52
	Construction & Materials 3.09% (30 September 2016 0.86%)		
3,637,614	Breedon	3,074	1.45
1,275,000	Forterra	3,481	1.64
		6,555	3.09
	Electricity 0.00% (30 September 2016 0.96%)		
	Equity Investment Instruments 0.87% (30 September 2016 0.00%)		
981,008	Syncona	1,845	0.87
		1,845	0.87
	Financial Services 10.54% (30 September 2016 13.38%)		
1,383,671	Allied Minds	1,799	0.85
1,297,394	Arix Bioscience	2,543	1.20
517,412	Draper Esprit	1,645	0.77
876,953	Imperial Innovations	2,442	1.15
2,469,646	IP	3,225	1.52
3,791,517	Non-Standard Finance	2,929	1.38
406,492	Provident Financial	3,297	1.55
2,501,325	Redde	4,502	2.12
		22,382	10.54
	Fixed Line Telecommunications 0.00% (30 September 2016 0.45%)		
	General Industrials 0.06% (30 September 2016 0.24%)		
2,353,738	RM2 International	130	0.06
		130	0.06
	General Retailers 2.14% (30 September 2016 1.47%)		
86,236	Next	4,545	2.14
		4,545	2.14
	Health Care Equipment & Services 1.60% (30 September 2016 2.18%)		
3,303,333	NetScientific	1,338	0.63
915,291	Spire Healthcare	2,053	0.97
		3,391	1.60
	Household Goods & Home Construction 5.78% (30 September 2016 0.00%)		
624,000	Barratt Developments	3,810	1.79
750,184	Countryside Properties	2,582	1.22
2,034,101	Eve Sleep	2,136	1.01
1,936,000	Taylor Wimpey	3,740	1.76
		12,268	5.78

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
Industrial Engineering 1.16% (30 September 2016 0.71%)			
908,000	Xeros Technology	2,472	1.16
		<u>2,472</u>	<u>1.16</u>
Industrial Transportation 2.73% (30 September 2016 0.26%)			
1,510,000	Eddie Stobart Logistics	2,356	1.11
1,284,727	Stobart	3,444	1.62
		<u>5,800</u>	<u>2.73</u>
Life Insurance 4.85% (30 September 2016 4.31%)			
3,948,082	Legal & General	10,297	4.85
		<u>10,297</u>	<u>4.85</u>
Media 0.00% (30 September 2016 0.45%)			
Nonlife Insurance 0.00% (30 September 2016 1.69%)			
Pharmaceuticals & Biotechnology 16.94% (30 September 2016 23.32%)			
1,008,012	4d pharma	3,679	1.73
380,616	AstraZeneca (UK Listing)	18,743	8.83
666,490	BTG	4,512	2.12
1,004,686	e-Therapeutics	106	0.05
1,194,753	Horizon Discovery	2,664	1.26
970,770	Mereo Biopharma	2,912	1.37
12,163,271	Oxford Pharmascience	152	0.07
24,467,242	ReNeuron	404	0.19
2,186,651	Synairgen	241	0.11
15,300,000	Tissue Regenix	1,721	0.81
6,011,985	Vernalis	857	0.40
		<u>35,991</u>	<u>16.94</u>
Real Estate Investment & Services 5.95% (30 September 2016 2.34%)			
1,335,045	Phoenix Spree Deutschland	4,339	2.04
1,410,763	Purplebricks	5,262	2.48
2,543,860	Raven Russia 6.5% 07/07/2026 (Preference Shares)	3,027	1.43
		<u>12,628</u>	<u>5.95</u>
Real Estate Investment Trusts 2.24% (30 September 2016 1.14%)			
1,416,079	NewRiver REIT	4,755	2.24
		<u>4,755</u>	<u>2.24</u>
Support Services 10.70% (30 September 2016 13.08%)			
1,443,927	AA	2,407	1.13
564,820	Babcock International	4,711	2.22
1,681,266	BCA Marketplace	3,686	1.74
671,749	Capita	3,802	1.79
1,403,083	Equiniti	4,056	1.91
300,660	Equiniti (Rights)	296	0.14
451,495	HomeServe	3,756	1.77
		<u>22,714</u>	<u>10.70</u>
Tobacco 5.71% (30 September 2016 13.86%)			
380,602	Imperial Brands	12,115	5.71
		<u>12,115</u>	<u>5.71</u>

Portfolio statement (continued)

as at 30 September 2017

Holding	Investment	Market Value £'000	Percentage of total net assets %
	Overseas 20.95% (30 September 2016 19.23%)		
	Europe Equities 15.56% (30 September 2016 12.41%)		
	Ireland Equities 10.18% (30 September 2016 7.60%)		
996,460	Hostelworld	3,537	1.66
350,940	Malin	3,500	1.65
288,342	Prothena	14,589	6.87
		21,626	10.18
	Norway Equities 5.38% (30 September 2016 2.62%)		
10,559,872	IDEX Asa	5,868	2.77
22,142,769	Thin Film Electronics	5,549	2.61
3,000,000	Thin Film Electronics (Warrants)	-	-
		11,417	5.38
	Switzerland Equities 0.00% (30 September 2016 2.19%)		
	North America 5.39% (30 September 2016 6.82%)		
	Bermuda Equities 0.00% (30 September 2016 1.18%)		
	Cayman Islands Equities 5.37% (30 September 2016 2.38%)		
440,270	Theravance Biopharma	11,405	5.37
		11,405	5.37
	United States Equities 0.02% (30 September 2016 3.26%)		
397,907	Northwest Biotherapeutics	52	0.02
		52	0.02
	Investment assets	214,100	100.83
	Net other liabilities	(1,754)	(0.83)
	Total net assets	212,346	100.00

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

Statement of total return

for the year from 1 October 2016 to 30 September 2017

	Notes	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Income					
Net capital (losses)/gains	2		(2,256)		22,434
Revenue	3	7,895		6,051	
Expenses	4	(2,088)		(1,662)	
Interest payable and similar charges	5	(7)		(1)	
Net revenue before taxation		5,800		4,388	
Taxation	6	(45)		(116)	
Net revenue after taxation			5,755		4,272
Total return before distributions			3,499		26,706
Distributions	7		(7,792)		(5,918)
Change in net assets attributable to unitholders from investment activities			(4,293)		20,788

Statement of change in net assets attributable to unitholders

for the year from 1 October 2016 to 30 September 2017

	01.10.16 to 30.09.17 £'000	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000	01.10.15 to 30.09.16 £'000
Opening net assets attributable to unitholders		268,395		116,096
Amounts received on issue of units	53,940		143,245	
Amounts paid on cancellation of units	(109,546)		(15,887)	
		(55,606)		127,358
Dilution adjustment		455		1,027
Change in net assets attributable to unitholders from investment activities		(4,293)		20,788
Retained distribution on accumulation units		3,395		3,126
Closing net assets attributable to unitholders		212,346		268,395

The notes on pages 201 to 208 form an integral part of these financial statements.

Balance sheet

as at 30 September 2017

	Notes	30.09.17 £'000	30.09.16 £'000
Assets			
Fixed assets			
Investments		214,100	268,215
Current assets			
Debtors	8	790	1,325
Cash and bank balances	9	397	282
Total assets		215,287	269,822
Liabilities			
Creditors			
Bank overdrafts	10	-	(89)
Distribution payable		(706)	(792)
Other creditors	11	(2,235)	(546)
Total liabilities		(2,941)	(1,427)
Net assets attributable to unitholders		212,346	268,395

The notes on pages 201 to 208 form an integral part of these financial statements.

Notes to the financial statements

for the year from 1 October 2016 to 30 September 2017

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Woodford Equity Income Fund are included on pages 211 to 212.

2 Net capital (losses)/gains

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

(Losses)/gains on non-derivative securities

Gains on currency contracts

Net capital (losses)/gains on investments

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
(2,266)	22,389
10	45
(2,256)	22,434

3 Revenue

Non-taxable overseas dividends

UK dividends

UK REIT dividends

Underwriting commission

Total revenue

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
906	1,118
6,726	4,854
263	78
-	1
7,895	6,051

4 Expenses

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

Manager's periodic charge

Fixed expenses*

Fixed expense rebate*

Total expenses

01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
1,953	1,558
394	298
(259)	(194)
2,088	1,662

* These figures represent the fixed expense charge which covers all fees payable to the Trustee (including associates etc.), and other expenses. The Fixed expense rebate related to a percentage of the fixed expenses refunded back to the sub-fund by the Manager to reduce the overall fees being charged. This is currently 0.09% on the Accumulation A share class and 0.10% on the U2 Accumulation and U2 Income classes. The Audit fee for the year, excluding VAT, was £7,150 (30 September 2016: £7,500).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

5 Interest payable and similar charges

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Bank overdraft interest	7	1
Total interest payable and similar charges	7	1

6 Taxation

a) Analysis of tax charge in the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Overseas tax suffered	45	116
Total current tax charge for the year	45	116
Deferred tax charge for the year (see note 6(c))	-	-
Total taxation for the year (see note 6(b))	45	116

b) Factors affecting current tax charge for the year

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'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	5,800	4,388
Corporation tax at 20% (30 September 2016: 20%)	1,160	878
Effects of:		
Excess management expenses for which no relief taken	366	316
Revenue not subject to taxation – UK	(1,345)	(971)
Non-taxable overseas dividends	(181)	(223)
Overseas tax suffered	45	116
Total tax charge for the year (see note 6(a))	45	116

Authorised Unit Trusts are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax liability

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
Deferred tax liability at the start of the year	-	-
Deferred tax charge for the year (see note 6(a))	-	-
Deferred tax liability at the end of the year	-	-

At 30 September 2017 the sub-fund had surplus management expenses of £3,899,071 (30 September 2016: £2,066,661), which can be utilised against profits chargeable to corporation tax in future periods. It is unlikely that the sub-fund will generate sufficient taxable profits in the future to utilise these expenses and, therefore, no deferred tax asset has been recognised.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

7 Distributions

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

	01.10.16 to 30.09.17 £'000	01.10.15 to 30.09.16 £'000
First Interim – Accumulation units (31 December)	789	550
First Interim – Income units (31 December)	877	341
Second Interim – Accumulation units (31 March)	1,019	999
Second Interim – Income units (31 March)	1,024	1,161
Third Interim – Accumulation units (30 June)	1,100	873
Third Interim – Income units (30 June)	1,340	981
Final – Accumulation units (30 September)	487	704
Final – Income units (30 September)	706	792
	7,342	6,401
Revenue deducted on cancellation of units	626	23
Revenue received on issue of units	(176)	(506)
Distributions	7,792	5,918
Reconciliation of distributions:		
Net revenue after taxation	5,755	4,272
Capitalised fees	2,088	1,662
Tax relief on capitalised fees	(51)	(16)
Distributions	7,792	5,918

Details of the interim and final distributions per unit are set out in the tables on pages 209 and 210.

8 Debtors

	30.09.17 £'000	30.09.16 £'000
Accrued revenue	253	365
Amounts receivable for issue of units	457	872
Overseas tax recoverable	80	82
Sales awaiting settlement	-	6
Total debtors	790	1,325

9 Cash and bank balances

	30.09.17 £'000	30.09.16 £'000
Cash and bank balances	397	282
Total cash and bank balances	397	282

10 Bank overdrafts

	30.09.17 £'000	30.09.16 £'000
Cash and bank overdrafts	-	89
Total overdrafts	-	89

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

11 Creditors

	30.09.17 £'000	30.09.16 £'000
Accrued Manager's periodic charge	282	330
Accrued expenses	19	22
Amounts payable for cancellation of units	1,783	77
Purchases awaiting settlement	151	117
Total creditors	2,235	546

12 Related party transactions

Old Mutual Investment Management Limited, as Manager, is a related party, and acts as principal in respect of all transactions of units in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Statement of change in net assets attributable to unitholders on page 199. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of units in each sub-fund are disclosed in notes 8 and 11. Other amounts paid to the Manager are disclosed in note 4 and amounts due to it at the period end are disclosed in note 11.

13 Derivatives and other financial instruments

a) Financial instrument risk

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

Equity shares and equity related shares.

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

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

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

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

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

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

b) Foreign currency risk

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

The foreign currency exposure of the sub-fund as at 30 September 2017 (30 September 2016) was as follows:

Currency	Net foreign currency assets/(liabilities)			Net foreign currency assets/(liabilities)		
	Monetary exposures*	Non-monetary exposures	Total	Monetary exposures*	Non-monetary exposures	Total
	30.09.17 £'000	30.09.17 £'000	30.09.17 £'000	30.09.16 £'000	30.09.16 £'000	30.09.16 £'000
Euro	-	3,500	3,500	-	1,898	1,898
Norwegian Krone	-	11,417	11,417	-	7,030	7,030
Swiss Franc	80	-	80	82	5,873	5,955
US Dollar	-	26,046	26,046	(90)	30,431	30,341
Total	80	40,963	41,043	(8)	45,232	45,224

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

Currency sensitivity

A 5% increase in the value of the sub-fund's foreign currency exposure would have the effect of increasing the return and net assets as at 30 September 2017 by £2,052,155 or 0.97% (30 September 2016: £2,261,559 or 0.84%). A 5% decrease would have an equal and opposite effect.

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Derivatives and other financial instruments (continued)

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 September 2017 (30 September 2016) was as follows:

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.17				
Euro	-	-	3,500	3,500
Norwegian Krone	-	-	11,417	11,417
Sterling	397	-	173,847	174,244
Swiss Franc	-	-	80	80
US Dollar	-	-	26,046	26,046
Total	397	-	214,890	215,287

Currency	Variable rate financial assets £'000	Fixed rate financial asset £'000	Financial assets not carrying interest £'000	Total £'000
30.09.16				
Euro	-	-	1,898	1,898
Norwegian Krone	-	-	7,030	7,030
Sterling	282	-	224,227	224,509
Swiss Franc	-	-	5,955	5,955
US Dollar	-	-	30,431	30,431
Total	282	-	269,541	269,823

Currency	Variable rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.17				
Sterling	-	-	(2,941)	(2,941)
US Dollar	-	-	-	-
Total	-	-	(2,941)	(2,941)

Currency	Variable rate financial liabilities £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
30.09.16				
Sterling	-	-	(1,338)	(1,338)
US Dollar	(90)	-	-	(90)
Total	(90)	-	(1,338)	(1,428)

Interest rate risk sensitivity

In the event of changes in interest rates, there would be no material impact upon the assets of the sub-fund.

d) Credit risk

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

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

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

13 Derivatives and other financial instruments (continued)

e) Counterparty risk

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

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

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from unitholders to meet any cancellation of units. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the Manager 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 mitigate the risk of excessive exposure to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The Manager adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the Manager 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.

Market price risk sensitivity

A 5% market movement in the price of investments held by the sub-fund, with all other variables remaining constant, would result in an increase or decrease on net asset value of the sub-fund by approximately £10,705,014 or 5.04% (30 September 2016: £ 13,410,743 or 5%).

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.

Valuation Technique	30.09.17		30.09.16	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Level 1: Quoted prices	214,100	-	268,215	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	214,100	-	268,215	-

i) Global exposure

The Investment Adviser assesses the market risk of Old Mutual Woodford Equity Income Fund, including any derivative exposures, using a commitment approach. All exposure arising through the investment in financial derivative instruments will be covered by the underlying assets of the sub-fund. The sub-fund will use the commitment approach methodology to measure, monitor and manage the "leverage" effect produced by the use of financial derivative instruments and for the calculation of global exposure. In using the commitment approach for the calculation of global exposure, the sub-fund will convert each derivative position into the market value of an equivalent position in the underlying asset of that derivative.

14 Contingent liabilities

The sub-fund had no contingent liabilities at the Balance sheet date (30 September 2016: £Nil).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

15 Portfolio transaction costs

Analysis of total purchase costs

30.09.17

Bonds

Equities

Collective Investment Schemes

Corporate actions

Total**Total purchases including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
2,900	-	-	-	-
112,848	54	0.05%	274	0.24%
1,287	-	-	-	-
577	-	-	-	-
117,612	54		274	
117,940				

30.09.16

Equities

Collective Investment Schemes

Corporate actions

Total**Total purchases including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
189,250	150	0.08%	561	0.30%
500	-	-	-	-
131	-	-	-	-
189,881	150		561	
190,592				

Analysis of total sale costs

30.09.17

Equities

Collective Investment Schemes

Corporate actions

Total**Total sales including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
169,840	56	0.03%	1	-
-	-	-	-	-
34	-	-	-	-
169,874	56		1	
169,817				

30.09.16

Equities

Collective Investment Schemes

Corporate actions

Total**Total sales including transaction costs**

Value	Commissions		Other costs	
£'000	£'000	%	£'000	%
59,635	38	0.06%	-	-
466	-	-	-	-
173	-	-	-	-
60,274	38		-	
60,236				

Transaction costs as a percentage of average Net Assets

Commissions:

Other costs:

30.09.17

0.04%

0.11%

30.09.16

0.10%

0.28%

In the case of shares, transaction costs are paid by the sub-fund on each transaction. Commissions relate to those paid to agents, advisers, brokers and dealers in the buying and selling of securities. Other costs include any additional fees that may be paid to agents, advisers, brokers and dealers as well as levies by regulatory agencies and security exchanges and any transfer taxes or duties. In addition, there is a dealing spread between the buying and selling prices of the underlying investments. Unlike shares, other types of investments have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads may vary considerably depending on the transaction value and market sentiment. At the balance sheet date the dealing spread was 0.84% (30 September 2016: 0.71%).

Notes to the financial statements (continued)

for the year from 1 October 2016 to 30 September 2017

16 Unitholders' funds

The sub-fund currently has three unit classes; Accumulation 'A', Accumulation 'U2' and Income 'U2'. The net asset value of each unit class, net asset value per unit and the number of units in issue are given in the information pages for each sub-fund.

The unit classes currently in issue and the Manager's periodic charge fee of each unit class are shown below.

	30.09.17	30.09.16
- Accumulation 'A'	1.50%	1.50%
- Accumulation 'U2'	0.60%	0.60%
- Income 'U2'	0.60%	0.60%

Unit class movement reconciliation

	Opening	Issued	Redeemed	Converted	Closing
- Accumulation 'A'	35,710,812	2,886,917	(9,909,885)	-	28,687,844
- Accumulation 'U2'	63,049,125	32,953,983	(56,389,566)	-	39,613,542
- Income 'U2'	118,572,273	6,710,922	(18,409,063)	-	106,874,132

17 Post balance sheet date events

There are no post balance sheet events requiring disclosure.

Distribution table

Final distribution

Group 1: Units purchased prior to 1 July 2017
 Group 2: Units purchased from 1 July 2017 to 30 September 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 30.11.17 pence per unit	Distribution paid 30.11.16 pence per unit
Accumulation 'A' Units				
Group 1	0.7016	-	0.7016	0.7082
Group 2	0.2305	0.4711	0.7016	0.7082
Accumulation 'U2' Units				
Group 1	0.7211	-	0.7211	0.7154
Group 2	0.3710	0.3501	0.7211	0.7154
Income 'U2' Units				
Group 1	0.6603	-	0.6603	0.6677
Group 2	0.5509	0.1094	0.6603	0.6677

Third Interim distribution

Group 1: Units purchased prior to 1 April 2017
 Group 2: Units purchased from 1 April 2017 to 30 June 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.08.17 pence per unit	Distribution paid 31.08.16 pence per unit
Accumulation 'A' Units				
Group 1	1.3117	-	1.3117	0.9192
Group 2	0.6496	0.6621	1.3117	0.9192
Accumulation 'U2' Units				
Group 1	1.3450	-	1.3450	0.9334
Group 2	0.8157	0.5293	1.3450	0.9334
Income 'U2' Units				
Group 1	1.2441	-	1.2441	0.8883
Group 2	0.3879	0.8562	1.2441	0.8883

Distribution table (continued)

Second Interim distribution

Group 1: Units purchased prior to 1 January 2017
 Group 2: Units purchased from 1 January 2017 to 31 March 2017

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 31.05.17 pence per unit	Distribution paid 31.05.16 pence per unit
Accumulation 'A' Units				
Group 1	0.9007	-	0.9007	1.0961
Group 2	0.8066	0.0941	0.9007	1.0961
Accumulation 'U2' Units				
Group 1	0.9362	-	0.9362	1.1133
Group 2	0.5466	0.3896	0.9362	1.1133
Income 'U2' Units				
Group 1	0.8761	-	0.8761	1.0637
Group 2	0.0322	0.8439	0.8761	1.0637

First Interim distribution

Group 1: Units purchased prior to 1 October 2016
 Group 2: Units purchased from 1 October 2016 to 31 December 2016

	Net revenue pence per unit	Equalisation pence per unit*	Distribution paid 28.02.17 pence per unit	Distribution paid 28.02.16 pence per unit
Accumulation 'A' Units				
Group 1	0.7764	-	0.7764	0.7649
Group 2	0.3704	0.4060	0.7764	0.7649
Accumulation 'U2' Units				
Group 1	0.7729	-	0.7729	0.7740
Group 2	0.3327	0.4402	0.7729	0.7740
Income 'U2' Units				
Group 1	0.7258	-	0.7258	0.7480
Group 2	0.3108	0.4150	0.7258	0.7480

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

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 IA in May 2014. The Trust has early adopted Amendments to FRS 102 – Fair value hierarchy disclosures issued by the Financial Reporting Council in March 2016.

b) Recognition of revenue

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

c) Treatment of stock dividends

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

d) Special dividends and share buy-backs

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

e) Underwriting commission

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Trust 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, are included in expenses, in the Statement of Total Return. Expenses are recognised on an accruals basis and include irrecoverable VAT where appropriate.

g) 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.

h) Rebate of Manager's periodic charge from underlying instruments

The sub-fund may be entitled to a rebate of Manager's periodic 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.

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 in respect of excess management expenses 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 interim (where applicable) and final distribution periods will be distributed to unitholders or accumulated by the unit class. Any unit class in deficit of revenue will be made-up from the capital attributable to that unit class. All the sub-funds distribute revenue on debt securities on an effective yield basis. Equalisation received on collective investment scheme distributions will be distributed.

For all sub-funds, some or all of any charges and expenses may be treated as a capital expense for distribution in accordance with the Sourcebook, which may have the effect of constraining capital growth, as the Trust may treat the generation of income as a higher priority than capital growth or (as the case may be) place equal emphasis on the generation of income and on capital growth.

The policy of the Manager is to allocate the charges and expenses to income with the following exceptions. The charges relating to transaction costs are treated as a capital expense for all sub-funds. In respect of the Old Mutual Artemis Income Fund, Old Mutual Equity 2 Fund, and the Old Mutual UK Alpha Fund, the Manager's policy is to also charge the periodic charge to capital (in addition to transaction charges). Prior to 1st April 2016 Old Mutual Newton UK Income Fund treated as income fees other than the periodic charge, after which this was allocated to capital. In respect Old Mutual Woodford Equity Income Fund, the policy is to charge all the charges and expenses (including the periodic charge, administration fees and trustee fees) to capital.

Accounting policies (continued)

k) Basis of valuation of investments

The investments of the Trust are valued at 12 noon bid prices on the last business day of the accounting year. Any unquoted or suspended investments are valued at the Manager's valuation taking into account, where appropriate, latest dealing prices, valuations from reliable sources, financial performance and other relevant factors.

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

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

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

Authorised unit trusts and collective investment schemes operated by Old Mutual have been valued at cancellation price, for all other such funds they have been valued at bid price. Single priced authorised unit trusts and collective investment schemes have been valued at the dealing price and open-ended investment companies have been valued at the latest available bid price.

l) Exchange rates

Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at 12 noon 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.

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. 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.

n) Dilution policy

The manager has discretion to require a dilution adjustment to the price of a share on the purchase or redemption of shares in the sub-fund. The manager's policy is to make a dilution adjustment when the manager believes it is in the interest of the unitholders to do so.