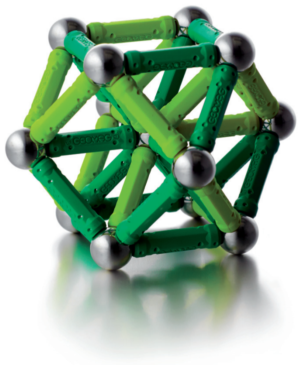
Old Mutual Investment Funds Series I

Authorised Corporate Director's Interim Short Report

For the period ended 31 January 2013



- Corporate Bond Fund
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OLD MUTUAL GLOBAL INVESTORS

Introduction to the Short Report

This is the interim Short Report prepared for investors in Old Mutual Investment Funds Series I, for the period 1 August 2012 to 31 January 2013. It is an abbreviated version of the long form Report & Accounts.

As an investor, you may hold shares in only one or two of the funds covered here, but the Investment Management Association (IMA) guidance require us to report on all the funds that are part of this open ended investment company.

The Short Report gives you an update on the funds, rather than on your individual holdings. If you would like more information on your own investment account, such as a current valuation, please contact our Investor Services Team on 0808 100 8808.

Some investors feel that there is too much information in the Short Report, while others think there is not enough. The information we include in this document is required by our regulator, the Financial Services Authority. If you would like more information, the full annual and interim Report & Accounts of the funds, together with the daily fund prices, can be found on our website, www.omglobalinvestors.com. Please note that the full Report & Accounts cover all the funds in this open ended investment company, so the documents can be over 100 pages long as they contain statutory information.

In addition, we update a factsheet on each fund every month that gives details of the latest fund performance, top ten holdings and manager's commentary. These are available on our website, www.omglobalinvestors.com.

Finally, in response to investor feedback, we have tried to simplify the language used in the Short Report to make it easier to understand.

Information about the company during the period

On the 25 February 2013 Old Mutual Asset Managers (UK) Limited and Old Mutual Fund Managers changed their name to Old Mutual Global Investors.

Contents

Old Mutual Corporate Bond Fund

Summary investment objective

To maximise total return through investment in a diversified portfolio of fixed interest and other debt securities.

Risk profile

Market prices for holdings in the fund cannot be guaranteed. There is a risk that holdings may be sold at a lower price than the one paid when they were bought, resulting in a loss to the fund.

Summary of fund performance

Share type	Net asset value as at 31 January 2013 (pence)	Net asset value as at 31 July 2012 (pence)	Net asset value % change
A class income	110.01	105.16	4.61
A class accumulation	189.26	177.59	6.57
P class income	110.11	105.27	4.60
P class accumulation	138.72	129.98	6.72
R class income	104.21	–	–
R class accumulation	100.29	–	–

Performance record to 31 January 2013

	6 months to 31 Jan 2013	12 months to 31 July 2012	12 months to 31 July 2011	12 months to 31 July 2010	12 months to 31 July 2009	12 months to 31 July 2008
Fund	6.6%	8.2%	6.6%	25.0%	-9.1%	-7.9%
Sector	3.9%	8.7%	5.6%	15.2%	-0.6%	-2.4%
Quartile	1	3	1	1	4	4

Highest and lowest prices

The table below shows the highest buying and lowest selling prices of shares over the last five years.

Calender year	Income shares Highest buying (pence)	Income shares Lowest selling (pence)	Accumulation shares Highest buying (pence)	Accumulation shares Lowest selling (pence)
2008 Class A	115.68	97.92	156.00	134.60
2008 Class B	104.28	97.33	104.28	97.33
2009 Class A	98.34	61.06	148.31	88.59
2009 Class B	98.54	61.20	107.74	64.19
2010 Class A	109.53	91.73	172.13	139.13
2010 Class B	109.67	91.89	125.36	101.10
2011 Class A	106.15	96.34	172.79	157.57
2011 Class B	106.32	96.46	126.14	114.86
2012 Class A	117.07	98.75	199.48	162.71
2012 Class P	117.24	98.89	146.16	118.89
2012 Class R	107.21	99.46	102.09	99.51
2013* Class A	117.89	110.87	200.88	188.90
2013* Class P	118.07	111.03	147.21	138.42
2013* Class R	108.00	105.09	102.82	100.07

* To 31 January 2013.

Distribution/accumulation

Share class	Distribution (p) 1 August 2012 to 31 January 2013	Distribution (p) 1 February 2012 to 31 July 2012
A class accumulation	4.3659	3.7290
A class income	2.5718	2.2366
P class accumulation	3.2519	2.9631
P class income	2.7744	2.4333
R class accumulation	0.7960	–
R class income	2.4233	–

Fund facts

Fund accounting dates	Distribution payment dates
31 January	31 March
30 April	30 June
31 July	30 September
31 October	31 December

Ongoing Charges Fee (OCF)	As at 31 January 2013 (%)	As at 31 July 2012 (%)
Authorised Corporate Director's (ACD) periodic charge		
Share Class A	1.10	1.10
Share Class P	0.75	0.75
Share Class R	0.60	–
Other expenses		
Share Class A	0.14	0.14
Share Class P	0.14	0.14
Share Class R	0.12	–
Ongoing Charges Fee (OCF)		
Share Class A	1.24	1.24
Share Class P	0.89	0.89
Share Class R	0.72	–

Portfolio information

The top 10 holdings at the end of the previous period and at the end of the current period are shown below.

Holding % of fund as at 31 January 2013		Holding % of fund as at 31 July 2012	
Highbury Finance 7.017% 20 March 2023	2.0	UK 4.5000% Gilt Dec 2042	6.5
Comcast 5.5% 23 November 2029	1.9	Time Warner Cable 5.75% 02/06/2031	2.0
General Electric Capital 5.5% 15 September 2067	1.8	Comcast Corp 5.5% 11/2029	2.0
Allianz SE (FRN) 5.625% 17 October 2042	1.8	HSBC Hld 6.375%(tv)07 18/10/2022	2.0
Tesco Property Finance 6.0517% 13 October 2039	1.7	Electricite de France 4.625% 04/26/2030	2.0
EIB 6% 7 December 2028	1.7	Highbury Finance 7.017% 20/03/2023	1.9
ASIF II 6.375% 5 October 2020	1.6	UK Tsy 4.25% 07/06/2032	1.8
Glencore Finance 5.5% 3 April 2022	1.6	Tesco Pr Fin 6.0517% 09 13/10/2039	1.7
Barclays Bank 10% 21 May 2021	1.6	Group 4 Secu 7.75% 09 13/05/2019	1.6
Bank of Amercia 7% 31 July 2028	1.6	Group 4 Secu 7.75% 09 13/05/2019	1.6

Portfolio allocation % as at 31 January 2013		Portfolio allocation % as at 31 July 2012	
Sterling	64.4	Sterling	80.0
Euros	17.4	Euros	14.7
Net Current Assets	11.7	United States Dollar	3.5
United States Dollar	8.4	Net Current Assets	1.6
Derivatives	(0.6)	Derivatives	0.2
Currency Forwards	(1.3)		

Total may not equal 100% due to rounding.

Investment adviser's report for the period ended 31 January 2013

Markets

After much turmoil in the middle of the year, risk assets delivered exceptional returns in the second half of 2012. Such was the credibility of the ECB's promises to do 'whatever it takes' to save the euro zone that those who were under-invested, waiting on the side-lines for so long, finally rushed into the market to cover their short positions. They were met with an answering wave of new issuance in the corporate bond market – especially from issuers located in the most stressed sovereign markets that had been locked out for months - for some, like Portuguese Bank BES – for nearly two years. Priced generously and buoyed by a new-found optimism reinforced by a rate cut from the ECB – these new issues found ready buyers and lifted the secondary market along with them. The gap between credit spreads in Europe and the US that had persisted for more than nine months as investors fled the turmoil began to close and by year end they were close to parity.

Away from Europe, both the US and China showed signs of real recovery as the new leadership in China restated their aims of 7.5% growth and a determination to rebalance their economy towards more consumption and less investment. In government bonds, July saw the lows in yields for the year, and some might say for the cycle, as investors allocated away from ultra-low yielding assets to re-invest in more risk-sensitive areas of the market. Even the US election and the fiscal cliff issue (which in the end maintained the status quo), did little to interrupt the mood of optimism. The rally continued into the New Year and through January with equity and credit markets performing well, while government bonds moved another leg lower.

Corporate bonds, both investment grade and high yield, were star performers, especially financials, benefitting from declining interest rates, company resilience, low default rates, declining systemic risk and a market-wide chase for the asset class. Equity markets, with the exception of China's Shanghai Composite, posted positive gains – albeit from a low base. Commodities also broadly gained and commodity-linked currencies followed suit, rallying against the US dollar, as did the euro and sterling. The yen was the notable decliner after the election of an aggressively pro-inflationary prime-minister.

Fund Activity

As the difficult debt situation in Europe improved and the US and Chinese recoveries became more established, the fund participated in both the new issue and secondary markets. We had established a buy list in previous months identifying the best names in which to gain exposure without compromising the quality of the fund. We purchased both cyclical issues, such as Glencore and Arcelor Mittal, alongside undervalued credits from the European periphery including banks, such as Intessa, Santander and BBVA, plus insurer Generali, as well as Telecom Italia and Telefonica. The allocation to high yield bonds rose from 6% to 10%, while all of the portfolio's holding of UK government bonds (gilts) was sold by the end of the year. The fund's duration profile was reduced from eight to 6.25 years by the end of January. However, the rally in the credit markets was so strong and valuations rose so far so fast that we became a little more cautious towards the end of the period. Mindful that the situation in Europe remained fragile, especially ahead of the Italian elections, we took advantage of the market's strength to reap profits and trim positions.

Outlook

There can now be little doubt that the US looks set for a strong recovery in growth in 2013. We put this scenario at the centre of our outlook, as the US is the world's largest economy and is described as the 'engine of global growth' for a reason. Strong growth from the US has the potential to both re-ignite the emerging market, and especially China, growth story. Indirectly it would add some much needed support to the faltering economies of Europe. Growth, with its consequent positive effects for government deficits and consumption, has been the missing part of the puzzle for so long that a strong outcome could almost come as a shock. However, the benefits for fixed income and the corporate bond markets are decidedly mixed. Although we do not anticipate a rise in base rates for the developed market economies this year, expectations of an eventual normalisation will push developed market bond yields higher. Corporate bonds should benefit, with 'super-normal' profits as their lean, cost conscious business models, developed through years of difficult growth, could perform very strongly. But with that comes the threat of a move away from the 'bond-holder friendly' policies of the last few years towards prioritising shareholders, often to the detriment of creditors. In this scenario we move towards a strategic view of a 'neutral' exposure to credit and a short view on duration. We will carefully monitor the evidence as it comes in to track progress relative to our view, and will adjust our positioning as our view is re-reinforced. However we are mindful that there are still many developments to come and will seek to maintain flexibility and liquidity in our strategies to allow us to respond to events as they unfold.

Old Mutual Monthly Income Bond Fund

Summary investment objective

The fund aims to maximise total return by investing primarily in a diversified portfolio of fixed, variable and zero rate bond investments, including convertible securities. There are no specific restrictions as to the economic sectors or geographic areas that the scheme may invest in.

Risk profile

Market prices for holdings in the fund cannot be guaranteed. There is a risk that holdings may be sold at a lower price than the one paid when they were bought, resulting in a loss to the fund.

Summary of fund performance

Share type	Net asset value as at 31 January 2013 (pence)	Net asset value as at 31 July 2012 (pence)	Net asset value % change
A class income	42.25	39.43	7.15
A class accumulation	64.19	58.40	9.91
P class accumulation	116.17	105.53	10.08
R class income	107.11	99.96	7.15
R class accumulation	98.46	–	–

Performance record to 31 January 2013

	6 months to 31 Jan 2013	12 months to 31 July 2012	12 months to 31 July 2011	12 months to 31 July 2010	12 months to 31 July 2009	12 months to 31 July 2008
Fund	10.1%	8.2%	-1.6%	22.0%	-9.7%	-10.7%
Sector	5.5%	7.6%	5.9%	16.3%	-1.6%	-4.1%
Quartile	1	2	4	2	4	4

Highest and lowest prices

The table below shows the highest buying and lowest selling prices of shares over the last five years.

Calender year	Income shares Highest buying (pence)	Income shares Lowest selling (pence)	Accumulation shares Highest buying (pence)	Accumulation shares Lowest selling (pence)
2008 Class A	44.52	25.48	53.32	31.60
2009 Class A	39.75	24.44	53.32	29.82
2010 Class A	42.66	37.41	59.51	50.44
2011 Class A	41.70	35.50	59.26	51.11
2012 Class A	44.71	36.28	67.25	52.57
2012 Class P	103.50	100.00	121.68	99.46
2012 Class R	109.53	99.37	100.00	100.00
2013* Class A	45.23	42.49	68.33	64.19
2013* Class P	103.50	100.00	123.65	116.13
2013* Class C	110.83	107.73	101.25	98.47

* To 31 January 2013.

Distribution/accumulation

Share class	Distribution (p) 1 August 2012 to 31 January 2013	Distribution (p) 1 February 2012 to 31 July 2012
A class accumulation	1.9780	1.3622
A class income	1.3201	0.9297
P class accumulation	3.7871	1.6026
P class income	–	–
R class accumulation	0.5723	–
R class income	3.6682	0.1864

Fund facts

Fund accounting dates	Distribution payment dates
Last day of each month	Last day of following month

Ongoing Charges Fee (OCF)	As at 31 January 2013 (%)	As at 31 July 2012 (%)
Authorised Corporate Director's (ACD) periodic charge		
Share Class A	1.25	1.25
Share Class P	0.75	–
Share Class R	0.65	–
Ongoing Charges Fee (OCF)		
Share Class A	1.47	1.45
Share Class P	0.97	–
Share Class R	0.87	–

Portfolio information

The top 10 holdings at the end of the previous period and at the end of the current period are shown below.

Holding % of fund as at 31 January 2013		Holding % of fund as at 31 July 2012	
Bombardier 6.125% 15 January 2023	2.1	UK 4.5000% Gilt Dec 2042	10.2
General Electric Capital 5.5% 15 September 2067	2.0	UK Tsy 4.25% 00-07/06/2032	3.3
Royal Bank of Scotland 7.648% PERP	2.0	Welltec 8% 144A 01/02/2019	2.1
Royal Bank of Scotland 6.125% 15 December 2022	2.0	Jaguar 8.125% Senior £ 2018	1.9
Nationwide 5.769% PERP	1.9	Scottish and Southern Energy 5.453% C15-20 2049	1.9
Convatec Healthcare 10.875% 15 December 2018	1.7	Cyfrowy Polsat Finance Ab 7.125% 20/05/2018	1.9
Agrokor DD 9.125% 1 February 2020	1.7	Hyva Global 8.625% 24/03/2016	1.9
Ciech Group Financing 9.5% 30 November 2019	1.7	Convatec 10.875% 2018	1.8
Allianz SE (FRN) 5.625% 17 October 2042	1.6	Boparan 9.750% 30/04/2018	1.6
House of Fraser 8.875% 15 August 2018 1	.6	Tennet 6.655 02/12/2049	1.5

Portfolio allocation % as at 31 January 2013		Portfolio allocation % as at 31 July 2012	
Sterling	42.2	Sterling	45.9
Euros	38.5	Euros	33.5
United States Dollar	20.4	United States Dollar	10.7
Net Current Assets	1.7	Net Current Assets	9.0
Derivatives	(0.2)	Swiss Franc	0.5
Forward Currency Contracts	(2.6)	Derivatives	0.3

Total may not equal 100% due to rounding.

Investment adviser's report for the period ended 31 January 2013

Markets

After much turmoil in the middle of the year, risk assets delivered exceptional returns in the second half of 2012. Such was the credibility of the ECB's promises to do 'whatever it takes' to save the euro zone that those who were under-invested, waiting on the side-lines for so long, finally rushed into the market to cover their short positions. They were met with an answering wave of new issuance in the corporate bond market – especially from issuers located in the most stressed sovereign markets that had been locked out for months - for some, like Portuguese Bank BES – for nearly two years. Priced generously and buoyed by a new-found optimism reinforced by a rate cut from the ECB – these new issues found ready buyers and lifted the secondary market along with them. The gap between credit spreads in Europe and the US that had persisted for more than nine months as investors fled the turmoil began to close and by year end they were close to parity.

Away from Europe, both the US and China showed signs of real recovery as the new leadership in China restated their aims of 7.5% growth and a determination to rebalance their economy towards more consumption and less investment. In government bonds, July saw the lows in yields for the year, and some might say for the cycle, as investors allocated away from ultra-low yielding assets to re-invest in more risk-sensitive areas of the market. Even the US election and the fiscal cliff issue (which in the end maintained the status quo), did little to interrupt the mood of optimism. The rally continued into the New Year and through January with equity and credit markets performing well, while government bonds moved another leg lower.

Corporate bonds, both investment grade and high yield, were star performers, especially financials, benefitting from declining interest rates, company resilience, low default rates, declining systemic risk and a market-wide chase for the asset class. Equity markets, with the exception of China's Shanghai Composite, posted positive gains – albeit from a low base. Commodities also broadly gained and commodity-linked currencies followed suit, rallying against the US dollar, as did the euro and sterling. The yen was the notable decliner after the election of an aggressively pro-inflationary prime-minister.

Fund Activity

As the difficult debt situation in Europe improved and the US and Chinese recoveries became more established, the fund participated in both the new issue and secondary markets. We had established a buy list in previous months identifying the best names in which to gain exposure without compromising the quality of the fund. We purchased both cyclical issues, such as FMG resources and Cemex – a Mexican cement producer, alongside undervalued corporate bonds from the European periphery including banks, such as Intessa, Santander and BBVA, plus insurer Generali, as well as Telecom Italia and Telefonica. The allocation to high yield bonds rose from 42% to 54%, investment grade credit was increased from 32% to 42%, and all of the portfolio's holding of UK government bonds (gilts) was sold by the end of the year. The fund's duration profile was reduced from 6.7 years to 5.65 years by the end of January. However, the rally in the credit markets was so strong, and valuations rose so far so fast that we became a little more cautious towards the end of the period. Mindful that the situation in Europe remained fragile, especially ahead of the Italian elections, we took advantage of the market's strength to reap profits and trim positions.

Outlook

There can now be little doubt that the US looks set for a strong recovery in growth in 2013. We put this scenario at the centre of our outlook, as the US is the world's largest economy and is described as the 'engine of global growth' for a reason. Strong growth from the US has the potential to both re-ignite the emerging market, and especially China, growth story. Indirectly it would add some much needed support to the faltering economies of Europe. Growth, with its consequent positive effects for government deficits and consumption, has been the missing part of the puzzle for so long that a strong outcome could almost come as a shock. However, the benefits for fixed income and the corporate bond markets are decidedly mixed. Although we do not anticipate a rise in base rates for the developed market economies this year, expectations of an eventual normalisation will push developed market bond yields higher. Corporate bonds should benefit, with 'super-normal' profits as their lean, cost conscious business models, developed through years of difficult growth, could perform very strongly. But with that comes the threat of a move away from the 'bond-holder friendly' policies of the last few years towards prioritising shareholders, often to the detriment of creditors. In this scenario we move towards a strategic view of a 'neutral' exposure to credit and a short view on duration. We will carefully monitor the evidence as it comes in to track progress relative to our view, and will adjust our positioning as our view is re-reinforced. However we are mindful that there are still many developments to come and will seek to maintain flexibility and liquidity in our strategies to allow us to respond to events as they unfold.

Old Mutual UK Equity Income Fund

Summary investment objective

To achieve an above average yield with growth in income and capital appreciation over the long term, through the active management of a diversified portfolio invested primarily in UK equities.

Risk profile

Market prices for holdings in the fund cannot be guaranteed. There is a risk that holdings may be sold at a lower price than the one paid when they were bought, resulting in a loss to the fund.

Summary of fund performance

Share type	Net asset value as at 31 January 2013 (pence)	Net asset value as at 31 July 2012 (pence)	Net asset value % change
A class income	703.32	617.76	13.85
A class accumulation	2,110.26	1,819.21	16.00
P class accumulation	119.57	102.89	16.21
R class income	107.92	–	–
R class accumulation	106.23	–	–

Performance record to 31 January 2013

	6 months to 31 Jan 2013	12 months to 31 July 2012	12 months to 31 July 2011	12 months to 31 July 2010	12 months to 31 July 2009	12 months to 31 July 2008
Fund	16.0%	3.8%	14.8%	18.5%	-12.1%	-15.6%
Sector	12.4%	3.1%	14.1%	18.5%	-10.3%	-17.5%
Quartile	1	2	2	2	3	2
Benchmark: *FTSE All Share*	14.1%	0.4%	14.9%	19.4%	-10.5%	-13.1%

Highest and lowest prices

The table below shows the highest buying and lowest selling prices of shares over the last five years.

Calender year	Income shares Highest buying (pence)	Income shares Lowest selling (pence)	Accumulation shares Highest buying (pence)	Accumulation shares Lowest selling (pence)
2007 Class A	838.95	703.99	1,926.80	1,663.42
2008 Class A	656.00	427.01	1,605.47	1,044.69
2009 Class A	612.05	405.19	1,610.63	1,024.40
2010 Class A	681.09	510.35	1,864.91	1,372.64
2011 Class A	699.74	503.13	1,928.30	1,421.58
2012 Class A	707.86	570.92	2,107.45	1,663.93
2012 Class P	104.00	100.00	119.38	94.02
2012 Class R	104.16	97.00	101.89	99.72
2013* Class A	746.43	679.77	2,222.28	2,023.79
2013* Class P	104.00	100.00	125.91	114.63
2013* Class R	109.96	104.09	107.56	101.81

* To 31 January 2013.

Distribution/accumulation

Share class	Distribution (p) 1 August 2012 to 31 January 2013	Distribution (p) 1 February 2012 to 31 July 2012
A class accumulation	37.5990	48.9245
A class income	12.7074	16.9597
P class accumulation	2.1315	1.4400
P class income	–	–
R class accumulation	0.1700	–
R class income	0.6819	–

Fund facts

Fund accounting dates	Distribution payment dates
31 January	31 March
30 April	30 June
31 July	30 September
31 October	31 December

Ongoing Charges Fee (OCF)	As at 31 January 2013 (%)	As at 31 July 2012 (%)
Authorised Corporate Director's (ACD) periodic charge		
Share Class A	1.50	1.50
Share Class P	1.00	–
Share Class R	0.75	–
Other expenses		
Share Class A	0.22	0.22
Share Class P	0.22	–
Share Class R	0.12	–
Ongoing Charges Fee (OCF)		
Share Class A	1.72	1.72
Share Class P	1.22	–
Share Class R	0.87	–

Portfolio information

The top 10 holdings at the end of the previous period and at the end of the current period are shown below.

Holding % of fund as at 31 January 2013		Holding % of fund as at 31 July 2012	
Vodafone Group	3.9	GlaxoSmithKline	5.8
Legal & General Group	3.7	Vodafone	5.2
Royal Dutch Shell 'B'	3.5	Royal Dutch Shell	4.3
HSBC	3.3	BP	3.7
Booker Group	3.1	Legal & General	3.2
BHP Billiton	3.0	Booker Group	3.0
GlaxoSmithKline	2.9	British American Tobacco	2.9
BP	2.8	BT	2.9
D S Smith	2.7	Restaurant Group	2.8
Filtrona	2.5	Petrofac Ltd	2.7

Industry allocation % as at 31 January 2013		Industry allocation % as at 31 July 2012	
Financials	19.7	Consumer Services	20.3
Industrials	18.5	Industrials	15.6
Consumer Services	17.7	Financial	15.1
Oil & Gas	11.8	Oil & Gas	14.2
Telecommunications	9.9	Consumer Goods	8.7
Utilities	5.5	Telecommunications	7.7
Consumer Goods	5.5	Health Care	6.2
Basic Materials	4.6	Basic Materials	4.7
Healthcare	3.0	Utilities	3.7
Technology	1.8	Technology	3.1
Cash	1.7	Cash	0.4
Unclassified	0.3	Other	0.3

Total may not equal 100% due to rounding.

Investment adviser's report for the period ended 31 January 2013

Review

The UK equity market was very strong during the six months to January 2013, with the FTSE All-Share Index posting gains each month. Fears surrounding the stability of the euro zone receded significantly while the recovery in the US economy continued to gather momentum. Additionally, concerns that the Chinese economy would suffer a significant slowdown proved overdone. Central banks continued to provide support to financial markets with arguably the most important change being the European Central Bank's apparent willingness to pursue outright monetary transactions (OMTs) to avert fears of another credit crisis. The one notable wobble in equity markets coincided with the US election given investor concern over whether a resolution to the year-end deadline for bipartisan agreement on future fiscal policy would come to pass. In the event, a partial agreement was eventually reached over New Year's Eve. January marked the strongest start to a year for the FTSE All-Share since 1989.

The portfolio returned 16.0% over the period, compared with the benchmark and peer returns of 14.1% and 12.4%. The strong portfolio performance was led by airline easyJet, which saw much better than expected trading, asset manager Aberdeen, which continued to benefit from flows into higher margin products, paper and packaging business DS Smith, which successfully integrated a recent acquisition and broadcaster ITV, which continued to pay down debt from its growing profits. Other leading performers were equipment rental business Ashtead, life insurer Legal and General and jeweller Signet. Stocks that detracted from performance were construction business Balfour Beatty where margins were weaker than anticipated, Tullow Oil, which suffered disappointing results, price comparison website MoneySupermarket.com and Domino's Pizza. The fund was also underweight HSBC and Standard Chartered banks, which both performed well.

New investments included life insurer Standard Life, Lloyds Banking Group, house builders Galliford Try and Persimmon, Signet, easyJet and communications provider TalkTalk. We closed positions in brewer SAB Miller, industrials businesses Fenner and Spectris, Balfour Beatty and technology company Telecity. At the sector level, positioning was broadly unchanged, with lower exposures to pharmaceuticals and consumer staples and larger exposures to utilities and telecoms.

Outlook

The global economy is recovering and we believe will continue to grow in 2013. This should result in growing revenues and profits for many businesses where we consider valuations to be attractive. We also believe a number of risks that have been major reasons for investor caution are gradually diminishing, notably the financial crisis in the euro zone, the possibility of further slowing in China and uncertainty over the fiscal situation in the US. We also remain sanguine over the outlook for dividend growth in the UK market. This is because of the evident strength of corporate balance sheets, and our view that executive confidence will continue to improve amid the potential for further shareholder-friendly measures, such as share buybacks and special dividends. Overweight sectors in the portfolio include consumer cyclicals, life insurance and support services. Underweight sectors include beverages, food producers and tobacco.

Old Mutual UK Mid Cap Fund

Summary investment objective

To provide capital growth from investing primarily in a portfolio of medium sized UK companies.

Risk profile

Market prices for holdings in the fund cannot be guaranteed. There is a risk that holdings may be sold at a lower price than the one paid when they were bought, resulting in a loss to the fund.

Summary of fund performance

Share type	Net asset value as at 31 January 2013 (pence)	Net asset value as at 31 July 2012 (pence)	Net asset value % change
A class income	184.66	153.20	20.54
A class accumulation	202.83	168.29	20.52
P class income	109.41	–	–
P class accumulation	169.07	139.86	20.89
R class income	110.34	–	–
R class accumulation	129.87	107.28	21.06

Performance record to 31 January 2013

	6 months to 31 Jan 2013	12 months to 31 July 2012	12 months to 31 July 2011	12 months to 31 July 2010	12 months to 31 July 2009	12 months to 31 July 2008
Fund	20.5%	1.4%	23.2%	21.5%	-7.6%	-15.0%
Sector	14.6%	-0.8%	15.0%	19.9%	-11.6%	-13.8%
Quartile	1	1	1	2	1	2
Benchmark: *FTSE 250 ex Its*	19.6%	0.0%	19.7%	28.3%	-4.5%	-21.1%

Highest and lowest prices

The table below shows the highest buying and lowest selling prices of shares over the last five years.

Calender year	Income shares Highest buying (pence)	Income shares Lowest selling (pence)	Accumulation shares Highest buying (pence)	Accumulation shares Lowest selling (pence)
2007 Class A	148.44	123.28	136.04	106.46
2008 Class A	124.73	76.00	132.98	81.00
2008 Class B	–	–	108.21	65.96
2009 Class A	130.02	81.64	140.60	87.01
2009 Class B	–	–	115.19	71.02
2010 Class A	156.63	112.72	170.27	121.90
2010 Class B	–	–	140.34	100.02
2011 Class A	168.52	121.19	183.20	132.40
2011 Class B	–	–	151.40	109.56
2012 Class A	184.26	134.78	202.40	147.25
2012 Class P	108.21	100.00	168.54	122.02
2012 Class R	105.78	98.39	124.50	98.80
2013* Class A	194.94	178.10	214.13	195.63
2013* Class P	114.54	104.62	178.40	162.94
2013* Class C	112.00	106.38	131.82	125.20

* To 31 January 2013.

Distribution/accumulation

There are no distributions for the period under review.

Fund facts

Fund accounting dates	Distribution payment dates
31 January	N/A
31 July	30 September

Ongoing Charges Fee (OCF)	As at 31 January 2013 (%)	As at 31 July 2012 (%)
Authorised Corporate Director's (ACD) periodic charge		
Share Class A	1.50	1.50
Share Class P	1.00	1.00
Share Class R	0.75	–
Other expenses		
Share Class A	0.18	0.17
Share Class P	0.18	0.17
Share Class R	0.18	–
Ongoing Charges Fee (OCF)		
Share Class A	1.68	1.67
Share Class P	1.18	1.17
Share Class R	0.93	–

Portfolio information

The top 10 holdings at the end of the previous period and at the end of the current period are shown below.

Holding % of fund as at 31 January 2013		Holding % of fund as at 31 July 2012	
Ashtead Group	4.3	Telecity Group PLC	3.4
Barratt Developments	3.2	Melrose	2.8
Persimmon	3.2	Ashtead Group	2.8
Invensys	3.0	Aberdeen Asset	2.7
Howden Joinery Group	2.8	Premier Oil	2.7
Easyjet	2.6	Howden Group	2.6
Rightmove	2.5	Wood Group	2.6
Greene King	2.5	Rightmove	2.5
Wood Group (John)	2.4	Provident Financial	2.4
Aveva Group	2.4	SDL	2.4

Industry allocation % as at 31 January 2013		Industry allocation % as at 31 July 2012	
Industrials	24.2	Industrials	24.2
Financials	23.5	Consumer Services	22.4
Consumer Services	18.8	Financials	16.7
Consumer Goods	10.3	Technology	12.2
Technology	8.1	Oil & Gas	8.0
Oil & Gas	7.1	Cash	5.8
Basic Materials	3.7	Consumer Goods	5.6
Telecommunications	2.3	Basic Materials	2.6
Cash	2.0	Utilities	1.4
		Telecommunications	1.2

Total may not equal 100% due to rounding.

Investment adviser's report for the period ended 31 January 2013

Review

Equity markets generally performed very strongly over the course of the period, driven by more positive trends in, for example, US housing and employment-related data and by increasing evidence of a soft landing for the Chinese economy. Peripheral euro zone yields continued to fall markedly. Markets continued to rally at the end of 2012 and continued into 2013 even in the face of the struggle with the US fiscal cliff negotiations. In spite of a negative trend in corporate earnings revisions, equity markets continued to respond primarily to the prospect of an improving macro-economy and rising risk appetite in the year ahead. Small and mid caps outperformed larger companies over the period.

The fund outperformed its benchmark over the review period, rising by 20.5% versus a return of 19.6% for the reference benchmark. This outperformance was primarily driven by good stock selection. At sector level, underweight positioning in mining and aerospace/defence added value, as did an overweight to house-builders. On the negative side, the fund's overweight positioning to oil services and software detracted. At stock level, positions in Ashtead, Aberdeen Asset Management, Barratt Developments, easyJet and Paragon added value, whilst holdings in Melrose Industries, Ophir Energy and Wood Group detracted from the fund's relative returns.

We are relatively optimistic about the outlook for equities. We therefore consider it inappropriate to be defensively positioned. However, we do not believe that the economic backdrop is as yet sufficiently robust to justify an overtly economically-sensitive stance in positioning. As such, the fund is broadly balanced. We judge it sensible to have exposure to structural-growth companies (those where the compounding of strong earnings growth for a prolonged period of time drives the share price higher). But we also maintain exposure to stocks with attractive total-return characteristics (i.e., attractive dividend yields with the annual growth of the dividend driving capital growth). In addition, we hold a number of stocks that we classify as special situations (i.e., those companies that are benefitting from change either within or outside the company that will act as a catalyst to move shares higher, such as management change, industry consolidation, etc.).

Outlook

The near term prospects for global economic growth have improved, owing to better momentum within the US economy and improving data in China. Meanwhile, we believe some risks, particularly related to the European fiscal crisis, have receded as a result of the European Central Bank having effectively stepped up to its role as a lender of last resort. Therefore, we think the recent strength in equities has been justified. Looking forward, equities are certainly not expensive, either in absolute terms, or relative to other asset classes, and whilst earnings estimates were revised down through much of 2012, prospects are better for 2013.

We expect global GDP growth to be around 6% in 2013 (c.3% in real terms). Against this backdrop, profit growth in the high single digits for the UK mid cap sector does not look unreasonable. In terms of total returns for this sector of the market, with a dividend yield of around 3%, high single-digit profit growth and the potential for further modest re-rating of equities, annual returns in the low double digits seems a reasonable base case going forward. Potential factors that could benefit the market would be growing evidence of increased economic momentum, a further decline in risks associated with Europe and America's debt problems, and increased investor confidence in the outlook driving earnings growth and valuation multiples higher.

Old Mutual UK Smaller Companies Fund

Summary investment objective

To provide capital growth from investing primarily in a portfolio of UK smaller companies.

Risk profile

Market prices for holdings in the fund cannot be guaranteed. There is a risk that holdings may be sold at a lower price than the one paid when they were bought, resulting in a loss to the fund.

Summary of fund performance

Share type	Net asset value as at 31 January 2013 (pence)	Net asset value as at 31 July 2012 (pence)	Net asset value % change
A class income	220.33	188.18	17.08
A class accumulation	228.98	195.57	17.08
P class income	99.81	–	–
P class accumulation	167.03	142.30	17.38
R class income	111.16	–	–
R class accumulation	115.83	98.46	17.64

Performance record to 31 January 2013

	6 months to 31 Jan 2013	12 months to 31 July 2012	12 months to 31 July 2011	12 months to 31 July 2010	12 months to 31 July 2009	12 months to 31 July 2008
Fund	17.1%	-0.5%	27.9%	24.3%	-9.0%	-18.2%
Sector	17.0%	-4.6%	30.1%	25.0%	-13.4%	-24.1%
Quartile	3	2	3	3	1	1
Benchmark: *Numis Smaller Companies Index*	20.9%	-1.4%	24.2%	25.7%	-1.1%	-26.8%

Highest and lowest prices

The table below shows the highest buying and lowest selling prices of shares over the last five years.

Calender year	Income shares Highest buying (pence)	Income shares Lowest selling (pence)	Accumulation shares Highest buying (pence)	Accumulation shares Lowest selling (pence)
2007 Class A	178.53	148.02	183.12	151.84
2008 Class A	142.29	88.03	146.58	90.70
2008 Class B	–	–	104.29	64.55
2009 Class A	153.24	92.80	158.92	95.62
2009 Class B	–	–	113.98	68.25
2010 Class A	192.34	133.27	199.67	138.21
2010 Class B	–	–	144.11	99.31
2011 Class A	206.93	154.64	214.81	160.58
2011 Class B	–	–	155.46	116.34
2011 Class C	–	–	102.86	80.21
2012 Class A	223.16	167.16	231.92	173.58
2012 Class P	104.00	100.00	169.10	125.93
2012 Class R	108.17	100.00	112.72	86.95
2013* Class A	234.35	215.24	243.55	223.69
2013* Class P	105.11	99.18	177.65	163.12
2013* Class C	113.67	108.53	118.46	113.10

* To 31 January 2013.

Distribution/accumulation

There are no distributions for the period under review.

Fund facts

Fund accounting dates	Distribution payment dates
31 January	N/A
31 July	30 September

Ongoing Charges Fee (OCF)	As at 31 January 2013 (%)	As at 31 July 2012 (%)
Authorised Corporate Director's (ACD) periodic charge		
Share Class A	1.75	1.75
Share Class P	1.25	1.25
Share Class R	0.88	0.88
Other expenses		
Share Class A	0.18	0.17
Share Class P	0.18	0.17
Share Class R	0.18	0.17
Ongoing Charges Fee (OCF)		
Share Class A	1.93	1.92
Share Class P	1.43	1.42
Share Class R	1.06	1.05

Portfolio information

The top 10 holdings at the end of the previous period and at the end of the current period are shown below.

Holding % of fund as at 31 January 2013		Holding % of fund as at 31 July 2012	
Ashtead Group	3.7	Telecity Group PLC	3.4
Aveva Group	2.7	Bellway	2.9
Bellway	2.6	Anite	2.8
Anite	2.3	Aveva	2.7
Galliford Try	2.2	Ashtead Group	2.5
D S Smith	2.1	SDL	2.3
Paragon Group	2.1	Shaftesbury	2.1
Talk Talk Telecom Group	2.1	Greene King	2.1
Greene King	2.0	Oxford Instruments	2.0
Howden Joinery Group	2.0	Lancashire Holdings	2.0

Industry allocation % as at 31 January 2013		Industry allocation % as at 31 July 2012	
Industrials	35.5	Industrials	25.5
Consumer Services	15.7	Consumer Services	18.5
Financials	15.5	Financials	13.4
Technology	8.4	Technology	13.3
Consumer Goods	7.6	Oil & Gas	6.9
Cash	5.0	Cash	6.8
Oil & Gas	5.0	Other	5.1
Telecommunications	4.2	Basic Materials	4.0
Basic Materials	2.2	Consumer Goods	3.9
Healthcare	0.9	Telecommunications	2.5

Total may not equal 100% due to rounding.

Investment adviser's report for the period ended 31 January 2013

Review

Equity markets generally performed very strongly over the course of the period, driven by more positive trends in, for example, US housing and employment-related data and by increasing evidence of a soft landing for the Chinese economy. Peripheral euro zone yields continued to fall markedly. Markets continued to rally at the end of 2012 and continued into 2013 even in the face of the struggle with the US fiscal cliff negotiations. In spite of a negative trend in corporate earnings revisions, equity markets continued to respond primarily to the prospect of an improving macro-economy and improving risk appetite moving into 2013. Small and mid caps outperformed larger companies over the period.

The fund underperformed its benchmark over the period, rising by 17.1% compared with a return of 20.9% for the reference benchmark. Both sector allocation and stock selection were unhelpful for relative performance over the review period. At sector level, underweights in food producers, mining and pharmaceuticals benefited, but this was offset by the negative impact of underweights in retail and life insurance, as well as an overweight in software. At stock level, the portfolio profited from the strong performances by a number of holdings, notably in Ashtead (where forecasts continued to be significantly upgraded), the specialist-buy to-let lender Paragon, which enjoyed a strong rerating and Bellway, which benefited from a wider rerating of the house-building sector. Weaker performances from positions in SDL and Telecity, which both announced profit downgrades, were unhelpful and sold.

A range of more cheaply valued and, typically, more economically-sensitive holdings were introduced into the portfolio at the start of 2013 - reflecting improving macro-economic news and investor sentiment – amongst these were Bodycote, Microfocus, Keller and Enterprise Inns. At sector level, the fund was moved from under to overweight financials in the latter part of the review period. This reflected better sector sentiment, as well as the prospect of improved trading conditions for both speciality lenders and equity-market sensitive asset managers.

We are relatively optimistic about the outlook for equities. We therefore consider it inappropriate to be defensively positioned. However, we do not believe that the economic backdrop is as yet sufficiently robust to justify an overtly economically-sensitive stance in positioning. As such, the fund's positioning is broadly balanced. We judge it sensible to have exposure to structural-growth companies (those where the compounding of strong earnings growth for a prolonged period of time drives the share price higher). But we also include exposure to economically-sensitive stocks where earnings enjoy a strong level of support from self-help measures, and exposure to stocks that we classify as special situations. These are companies that are benefiting from change either within or outside the company that will act as a catalyst to move the shares higher, such as management change or industry consolidation.

Outlook

The near term prospects for global economic growth appear to have improved, given better momentum within the US economy and stronger data in China. Meanwhile, we believe some risks, particularly related to the European fiscal crisis, have receded as a result of the ECB effectively stepping up to its role as a lender of last resort. We therefore think the recent strength in equities has been justified. Looking forward, equities are still not expensive, either in absolute terms or relative to other asset classes, and whilst earnings estimates fell through much of 2012 prospects looks better for 2013.

We expect the global economy to continue to improve steadily – in this context, mid-to-high single-digit profit growth for UK smaller companies looks achievable. Moreover, at current valuations, smaller companies can continue to rerate upwards. These elements, combined with a yield for the Numis Smaller Companies Index of around 3%, suggest that double-digit returns should be a reasonable base case for smaller companies for the coming year.

Information about the funds during the period

Report & Accounts

This document is the final Short Report of the Old Mutual Investment Funds Series I for the period 01 August 2012 to 31 January 2013. The full Report & Accounts are available on our website www.omam.co.uk or upon written request to Investor Services, Old Mutual Global Investors, 2 Lambeth Hill, London EC4V 4AD.

Fund name changes

The following fund name changes took place on the 25 February 2013:

Old Mutual Dynamic Bond Fund renamed Old Mutual Monthly Income Bond Fund.
Old Mutual Equity Income Fund renamed Old Mutual UK Equity Income Fund.
Old Mutual UK Select Mid Cap Fund renamed Old Mutual UK Mid Cap Fund.
Old Mutual UK Select Smaller Companies Fund renamed Old Mutual UK Smaller Companies Fund.

On the 25th February 2013 the share classes in all the funds within Series I changed their name from Share Class B and Share Class C to Share Class P and Share Class R respectively, this name change is also reflected in the historic data.

Basis of valuation of investments

The valuation point is 12.00 noon on the last business day of the accounting period. Quoted investments are valued at the marked bid price net of any accrued interest which is included in the balance sheet as an income-related item.

Performance information

Source for retail fund performance taken from © 2013 Morningstar, Inc. All Rights reserved. Bid to bid, income reinvested on a net tax basis, in sterling, as at 31 January 2013.

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Quartile rank

The quartile ranking shows a particular fund's ranking in its relevant sector. It is measured by ranking the performance of all the funds in a particular sector over any period, into four sections. The first (or top) quartile will be the top 25% in terms of performance, the second quartile will be the next 25%, the third quartile will be the next 25% and the fourth quartile will be the last 25%.

Ongoing Charges Fee (OCF)

This is a measure of the total costs associated with managing the fund. Apart from the initial charge and transaction costs all other expenses are included in the OCF. The OCF is an internationally accepted standard for the comparison of costs for authorised funds.

Investment adviser's report

External sources of underlying economic data used by Old Mutual Global Investors Limited include MSCI, Datastream and Factset. Market performance data is sourced from Datastream. Each quoted index or stock return is based on the price movement between the market close on 31/07/2012 and the close on 31/01/2013. Returns quoted are sterling or local currency returns as specified.

Distribution/Accumulation

All rates are quoted as net for equity dividends and gross for bond interests.

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