

Old Mutual Balanced Funds

Interim Report and Financial Statements (unaudited)
For the period from 1 January 2013 to 30 June 2013

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Fund information

Authorised Corporate Director

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

Authorised and regulated by the Financial Conduct Authority.

Depository

National Westminster Bank plc
135 Bishopsgate
London
EC2M 3UR

Authorised and regulated by the Financial Conduct Authority.

Legal Advisers

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditors

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

Administrator

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

Registrar

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

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

Risk Monitoring Provider

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

Investment Manager

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

Authorised and regulated by the Financial Conduct Authority.

Old Mutual Global Investors Ltd, a member of the Old Mutual Group of companies, is authorised and regulated by the Financial Conduct Authority. FCA Register number 208543. Registered Office: Skandia House, Portland Terrace, Southampton, SO14 7EJ, United Kingdom.
Registered Number: 4227837 England. www.omglobalinvestors.com

Directors of the ACD

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

Report of the Directors of Old Mutual Balanced Funds

Directors' report

The directors present their report and financial statements for the Old Mutual Balanced Funds ("the Fund") for the period from 1 January 2013 to 30 June 2013. The Voyager Strategic Bond Fund, formerly the Bond Income Fund, and Global Equity Income Fund, formerly the Equity Income Fund, were launched on 22 August 2003. Shares for each sub-fund were first offered for sale at 50p each.

Authorised status

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

Liability

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

Additional information

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

As at 30 June 2013 the Fund had the following 2 sub-funds.

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

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

Retail distribution review share class launch

Due to the Retail Distribution Review (RDR) and its requirements becoming effective on 31 December 2012, the Fund has launched a new 'R' share class for its sub-funds. The new Income 'R' shares are predominantly offered to platforms and independent financial advisers whose business is not eligible for commission, and who in the ACD's reasonable opinion are able to subscribe an amount in excess of the investment minimum of £5,000,000.


'R' shares were launched by the sub-funds as below:

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



M Dean
Director
Old Mutual Investment Management Limited

28 August 2013



PJR Nathan
Director
Old Mutual Investment Management Limited

28 August 2013

Authorised Corporate Director's report

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

Net asset value of sub-funds

	30 June 2013			31 December 2012		
	Net asset value of sub-fund by share class	Shares in issue	Net asset value per share	Net asset value of sub-fund by share class	Shares in issue	Net asset value per share
Old Mutual Global Equity Income Fund - Income 'A'	£20,071,513	38,369,059	52.31	£20,829,992	41,289,165	50.45
Old Mutual Global Equity Income Fund - Income 'R'*	£7,292	13,906	52.44	-	-	-
Old Mutual Global Equity Income Fund - Income 'S'	£31,335,910	59,485,865	52.68	£31,664,979	62,331,554	50.80
Old Mutual Voyager Strategic Bond Fund - Euro Hedged Accumulation	£904,571	1,626,583	55.61	£501,019	946,654	52.93
Old Mutual Voyager Strategic Bond Fund - GBP Income 'A'	£136,223,638	257,825,848	52.84	£149,567,295	278,837,966	53.64
Old Mutual Voyager Strategic Bond Fund - GBP Income 'R'**	£1,315,025	2,508,701	52.42	-	-	-
Old Mutual Voyager Strategic Bond Fund - USD Hedged Accumulation	£22,662,476	37,226,066	60.88	£21,322,710	37,241,368	57.26

*Launched 2 April 2013

**Launched 26 February 2013

Statement of the Authorised Corporate Director's responsibilities

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

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

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

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Statement of the Depositary's responsibilities

The Depositary is under a duty to take into custody and to hold the property of the ICVC on behalf of the shareholders. Under the Regulations relating to reports, it is the duty of the Depositary to enquire into the conduct of the Authorised Corporate Director in the management of the Company (Old Mutual Managed Funds) in each annual accounting period and to report thereon to shareholders in a report which shall contain the matters prescribed by the Regulations.

Aggregated statement of total return

for the period from 1 January 2013 to 30 June 2013

		01.01.13 to 30.06.13 £'000	01.01.13 to 30.06.13 £'000	01.01.12 to 30.06.12 £'000	01.01.12 to 30.06.12 £'000
	Notes				
Income					
Net capital gains			1,015		1,765
Revenue		6,829		7,261	
Expenses		(1,193)		(1,196)	
Finance costs: Interest	2	(2)		(1)	
Net revenue before taxation		5,634		6,064	
Taxation		(149)		(242)	
Net revenue after taxation			5,485		5,822
Total return before distributions			6,500		7,587
Finance costs: Distributions	2		(5,576)		(5,902)
Change in net assets attributable to shareholders from investment activities			924		1,685

Aggregated statement of change in net assets attributable to shareholders

for the period from 1 January 2013 to 30 June 2013

	01.01.13 to 30.06.13 £'000	01.01.13 to 30.06.13 £'000	*01.01.12 to 30.06.12 £'000	01.01.12 to 30.06.12 £'000
Opening net assets attributable to shareholders		223,886		214,249
Amounts received on issue of shares	10,534		22,159	
Amounts paid on cancellation of shares	(23,257)		(18,846)	
		(12,723)		3,313
Stamp duty reserve tax		(4)		(3)
Change in net assets attributable to shareholders from investment activities		924		1,685
Retained distribution on accumulation shares		434		415
Unclaimed distributions		4		-
Closing net assets attributable to shareholders		212,521		219,659

*Section 3.30 of the IMA SORP issued in October 2010 requires comparative figures for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period.

The notes on pages 9 form an integral part of these financial statements.

Aggregated balance sheet

as at 30 June 2013

	30.06.13 £'000	30.06.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets				
Investment assets		213,224		222,179
Debtors	1,350		903	
Cash and bank balances	3,240		4,149	
Total other assets		4,590		5,052
Total assets		217,814		227,231
Liabilities				
Investment liabilities		(13)		(149)
Creditors	(1,979)		(1,356)	
Bank overdrafts	(197)		-	
Distribution payable on income shares	(3,104)		(1,840)	
Total other liabilities		(5,280)		(3,196)
Total liabilities		(5,293)		(3,345)
Net assets attributable to shareholders		212,521		223,886

The notes on pages 9 form an integral part of these financial statements.

Notes to the aggregated financial statements

for the period from 1 January 2013 to 30 June 2013

1 Accounting policies

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

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2012.

2 Finance costs

Distribution and interest

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

	01.01.13 to 30.06.13 £'000	01.01.12 to 30.06.12 £'000
First Interim (31 March)	1,649	1,676
Second Interim (30 June)	3,820	4,226
	5,469	5,902
Revenue deducted on cancellation of shares	183	169
Revenue received on issue of shares	(76)	(169)
Finance costs: Distributions	5,576	5,902
Finance costs: Interest	2	1
Total finance costs	5,578	5,903
Reconciliation of distributions:		
Net revenue after taxation	5,485	5,822
ACD capitalised fee rebate	(263)	(219)
Capitalised fees	302	368
Overseas stock dividends not distributed	-	(113)
Tax charge on income taken to capital	52	44
Finance costs: Distributions	5,576	5,902

Old Mutual Global Equity Income Fund

Launch date	22 August 2003
Sector classification	Global Equity Income
Investment adviser	O'Shaughnessy Asset Management, LLC
Net asset value	£51,414,715

Objective

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

Policy

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

The sub-fund may also invest directly in derivative instruments and forward transactions for the purposes of meeting the investment objective or efficient portfolio management, cash, near-cash, money-market instruments, permitted deposits and other transferable securities.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value per share in pence and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Income 'R' shares were first issued at 55.73p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.10			
Income 'A'	£65,967,833	122,605,203	53.81
31.12.11			
Income 'A'	£18,683,318	37,536,433	49.77
Income 'S'*	£52,551,743	105,105,685	50.00
31.12.12			
Income 'A'	£20,829,992	41,289,165	50.45
Income 'S'	£31,664,979	62,331,554	50.80
30.06.13			
Income 'A'	£20,071,513	38,369,059	52.31
Income 'R'**	£7,292	13,906	52.44
Income 'S'	£31,335,910	59,485,865	52.68

* from 31 March 2011

** from 2 April 2013

Comparative table

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

Calendar year	Highest price	Lowest price
2008		
Income 'A'	65.46	39.31
2009		
Income 'A'	52.99	36.61
2010		
Income 'A'	55.55	47.24
2011		
Income 'A'	55.25	44.57
Income 'S'*	54.80	44.72
2012		
Income 'A'	52.79	46.47
Income 'S'	52.19	46.79
2013**		
Income 'A'	58.64	51.12
Income 'R'***	58.71	52.13
Income 'S'	59.18	51.47

* from 31 March 2011

** to 30 June 2013

*** from 2 April 2013

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

Calendar year	Pence per share
2008	
Income 'A'	3.2506
2009	
Income 'A'	3.0478
2010	
Income 'A'	2.8407
2011	
Income 'A'	2.6413
Income 'S'*	0.9602
2012	
Income 'A'	2.2537
Income 'S'	2.4118
2013**	
Income 'A'	2.2561
Income 'R'***	1.5314
Income 'S'	2.4489

* from 31 March 2011

** ex dividend date of 30 June 2013 (payable on 30 August 2013)

*** from 2 April 2013

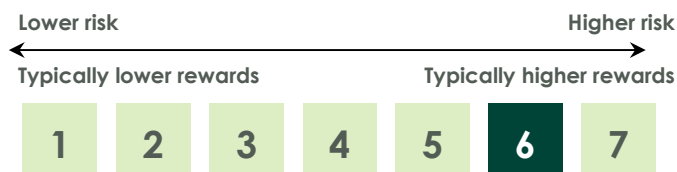
Investment Manager's review

As the new year opened global stock markets continued to rise with a number of stock markets reaching new all-time highs before hitting new turbulence in May and June. Tokyo was among the outperforming exchanges during the period as Japanese equities rallied in response to further yen weakness and government steps to ease monetary policy and employ quantitative easing. The Tokyo market then plunged in May, suffered additional setbacks in June amid worries about prospects for exporters (who dominate the Tokyo market) particularly because of increasing unease about the economies of the US and China. US equities also outperformed the global market average amid improved economic news before the reverses of the last two months. At the end of March the S&P 500 pushed past the previous all-time high it reached in October 2007 before the financial meltdown. Europe and emerging markets trailed their American and Japanese counterparts. European markets faced the headwinds of continued economic weakness and renewed worries over the future of the single currency. Investors in EM exchanges were troubled by signs of weaker-than-expected growth in China.

The Fund achieved a positive real return but underperformed the benchmark over the six month review period. Both sector and regional positioning detracted from relative performance. Stock picking at the country level was also significantly negative overall. Among sectors, stand out detractors were a significant overweight in the underperforming energy sector, where oil prices declined during much of the period; stock selection was a big detractor as well. Elsewhere underweights in the outperforming consumer discretionary and consumer staple sectors also hurt performance, although in these two latter areas positive stock picking partially blunted the negative impact.

Among markets, being significantly underweight Japan, which strongly outperformed over the period was a big negative for the fund, while stock selection there was also unprofitable. Meanwhile, being overweight Europe, which lagged other markets amid the continued concerns about its recovery and debt problems also detracted, as did stock selection in these markets. Despite the positive effect of being underweight emerging Asia, which was hurt by persistent concerns over China's economy, poor stock selection in the region more than outweighed this benefit.

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

Portfolio allocation

United States	21.38%
United Kingdom	18.75%
Canada	15.92%
France	8.36%
Australia	4.84%
Brazil	4.57%
Japan	3.98%
Germany	3.87%
South Korea	3.18%
Russia	2.97%
Italy	2.89%
China	2.75%
Ireland	2.63%
Switzerland	1.77%
South Africa	1.46%
Colombia	1.33%
Netherlands	1.23%
Finland	0.38%
Norway	0.31%

Net other assets (2.57)%

Total 100.00%

Asset allocation

Equities 102.57%

Net other assets (2.57)%

Total 100.00%

Major holdings

**Percentage
of portfolio**

BAE Systems	5.18%
AstraZeneca	4.95%
Canadian Oil Sands	4.87%
Telstra	4.84%
Telefonica Brasil	4.57%
Orange	4.16%
CenturyLink	4.04%
Total	3.88%
Vodafone	3.84%
BCE	3.55%

Number of holdings 55

Ongoing charges figure (OCF)*

31.12.12 Income 'A'	1.81%
31.12.12 Income 'R'	n/a
31.12.12 Income 'S'	1.25%
30.06.13 Income 'A'	1.83%
30.06.13 Income 'R'	1.37%
30.06.13 Income 'S'	1.25%

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

All information is at 30 June 2013 unless otherwise stated.

Portfolio statement

As at 30 June 2013

Holding	Investment	Market Value £'000	Percentage of total net assets %
	United Kingdom 18.75% (31 December 2012 15.87%)		
	United Kingdom Equities 18.75% (31 December 2012 15.87%)		
	Aerospace & Defence 5.18% (31 December 2012 4.96%)		
692,197	BAE Systems	2,658	5.18
	Banks 1.30% (31 December 2012 1.21%)		
97,867	HSBC	669	1.30
	Mining -% (31 December 2012 0.35%)		
	Mobile Telecommunications 3.84% (31 December 2012 2.84%)		
1,051,268	Vodafone	1,974	3.84
	Oil & Gas Producers 3.48% (31 December 2012 2.06%)		
394,667	BP	1,788	3.48
	Pharmaceuticals & Biotechnology 4.95% (31 December 2012 4.45%)		
81,695	AstraZeneca	2,545	4.95
	Overseas 83.82% (31 December 2012 82.13%)		
	Europe 24.41% (31 December 2012 31.70%)		
	Europe Equities 24.41% (31 December 2012 31.70%)		
	Finland Equities 0.38% (31 December 2012 0.62%)		
30,114	UPM-Kymmene	196	0.38
	France Equities 8.36% (31 December 2012 10.19%)		
12,809	AXA	166	0.32
341,388	Orange	2,134	4.16
62,545	Total	1,997	3.88
		4,297	8.36
	Germany Equities 3.87% (31 December 2012 6.47%)		
2,156	Allianz	207	0.40
232,041	Deutsche Telekom	1,784	3.47
		1,991	3.87
	Ireland Equities 2.63% (31 December 2012 1.31%)		
10,800	CRH	144	0.28
41,213	Seagate Technology	1,209	2.35
		1,353	2.63

Portfolio statement (continued)

as at 30 June 2013

Italy Equities 2.89% (31 December 2012 5.83%)		
109,709	Eni	1,486 2.89
Netherlands Equities 1.23% (31 December 2012 1.00%)		
269	Koninklijke Philips	5 0.01
29,949	Royal Dutch Shell	629 1.22
		634 1.23
Norway Equities 0.31% (31 December 2012 0.41%)		
11,947	Telenor	157 0.31
Russia Equities 2.97% (31 December 2012 1.34%)		
291,043	Gazprom OAO ADR	1,239 2.41
23,904	Mobile Telesystems OJSC ADR	290 0.56
		1,529 2.97
Switzerland Equities 1.77% (31 December 2012 4.53%)		
18,614	Swiss Re	908 1.77
Asia Pacific (Excluding Japan) 10.77% (31 December 2012 18.97%)		
Asia Pacific (Excluding Japan) Equities 10.77% (31 December 2012 18.97%)		
Australia Equities 4.84% (31 December 2012 4.98%)		
862,779	Telstra	2,490 4.84
China Equities 2.75% (31 December 2012 5.54%)		
1,464,209	China Petroleum & Chemical	675 1.31
1,574,683	Yanzhou Coal Mining	740 1.44
		1,415 2.75
Indonesia Equities -% (31 December 2012 2.11%)		
		- -
South Korea Equities 3.18% (31 December 2012 6.07%)		
70,222	KT ADR	711 1.38
71,897	SK Telecom ADR	925 1.80
		1,636 3.18
Taiwan Equities -% (31 December 2012 0.27%)		
		- -
Japan 3.98% (31 December 2012 1.02%)		
Japan Equities 3.98% (31 December 2012 1.02%)		
12,600	Canon	270 0.53
9,800	Eisai	262 0.51
70,300	Mitsui	580 1.13
1,500	Nippon Telegraph & Telephone	51 0.10
869	NTT DOCOMO	885 1.71
		2,048 3.98

Portfolio statement (continued)

as at 30 June 2013

America 43.20% (31 December 2012 29.79%)**North America Equities 37.30% (31 December 2012 26.71%)****Canada Equities 15.92% (31 December 2012 13.62%)**

41,506	Bank of Montreal	1,583	3.08
69,481	BCE	1,826	3.55
207,139	Canadian Oil Sands	2,506	4.87
49,893	Husky Energy	869	1.69
34,664	Manulife Financial	364	0.71
4,157	Royal Bank of Canada	159	0.31
15,848	Shaw Communications	237	0.46
33,244	Sun Life Financial	642	1.25
		<u>8,186</u>	<u>15.92</u>

United States of America Equities 21.38% (31 December 2012 13.09%)

57,046	AT&T	1,334	2.59
6,931	Bristol-Myers Squibb	211	0.41
27,328	CA	517	1.01
89,506	CenturyLink	2,074	4.04
33,099	ConocoPhillips	1,311	2.55
14,587	Eli Lilly	476	0.93
3,126	Freeport-McMoRan Copper & Gold	56	0.11
34,828	Intel	550	1.07
24,763	Lockheed Martin	1,745	3.39
16,131	Lorillard	461	0.90
19,998	Newmont Mining	364	0.71
49,947	Verizon Communications	1,673	3.25
8,199	Waste Management	216	0.42
		<u>10,988</u>	<u>21.38</u>

South America Equities 5.90% (31 December 2012 3.08%)**Brazil Equities 4.57% (31 December 2012 3.08%)**

159,347	Telefonica Brasil	<u>2,351</u>	<u>4.57</u>
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Colombia Equities 1.33% (31 December 2012 0.00%)

25,758	Ecopetrol ADR	<u>684</u>	<u>1.33</u>
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Africa 1.46% (31 December 2012 0.65%)**Africa Equities 1.46% (31 December 2012 0.65%)****South Africa Equities 1.46% (31 December 2012 0.65%)**

33,823	Gold Fields	111	0.22
22,834	Sasol	<u>642</u>	<u>1.24</u>
		<u>753</u>	<u>1.46</u>

Portfolio statement (continued)

as at 30 June 2013

Investment assets	52,736	102.57
Net other liabilities	(1,321)	(2.57)
Total net assets	51,415	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 period from 1 January 2013 to 30 June 2013

		01.01.13 to 30.06.13 £'000	01.01.13 to 30.06.13 £'000	01.01.12 to 30.06.12 £'000	01.01.12 to 30.06.12 £'000
	Notes				
Income					
Net capital gains/(losses)			2,362		(2,577)
Revenue		1,784		2,539	
Expenses		(399)		(466)	
Finance costs: Interest	2	-		(1)	
Net revenue before taxation		1,385		2,072	
Taxation		(97)		(198)	
Net revenue after taxation			1,288		1,874
Total return before distributions			3,650		(703)
Finance costs: Distributions	2		(1,590)		(2,129)
Change in net assets attributable to shareholders from investment activities			2,060		(2,832)

Statement of change in net assets attributable to shareholders

for the period from 1 January 2013 to 30 June 2013

	01.01.13 to 30.06.13 £'000	01.01.13 to 30.06.13 £'000	*01.01.12 to 30.06.12 £'000	01.01.12 to 30.06.12 £'000
Opening net assets attributable to shareholders		52,495		71,235
Amounts received on issue of shares	937		1,228	
Amounts paid on cancellation of shares	(4,079)		(5,448)	
		(3,142)		(4,220)
Stamp duty reserve tax		(2)		-
Change in net assets attributable to shareholders from investment activities		2,060		(2,832)
Unclaimed distributions		4		-
Closing net assets attributable to shareholders		51,415		64,183

*Section 3.30 of the IMA SORP issued in October 2010 requires comparative figures for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period.

The notes on pages 19 form an integral part of these financial statements.

Balance sheet

as at 30 June 2013

	30.06.13 £'000	30.06.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets				
Investment assets		52,736		51,445
Debtors	429		145	
Cash and bank balances	226		2,070	
Total other assets		655		2,215
Total assets		53,391		53,660
Liabilities				
Creditors	(221)		(356)	
Bank overdrafts	(197)		-	
Distribution payable on income shares	(1,558)		(809)	
Total other liabilities		(1,976)		(1,165)
Total liabilities		(1,976)		(1,165)
Net assets attributable to shareholders		51,415		52,495

The notes on page 19 form an integral part of these financial statements.

Notes to the financial statements

for the period from 1 January 2013 to 30 June 2013

1 Accounting policies

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

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2012.

2 Finance costs

Distribution and interest

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

	01.01.13 to 30.06.13 £'000	01.01.12 to 30.06.12 £'000
Interim (30 June)	1,558	2,083
	1,558	2,083
Revenue deducted on cancellation of shares	41	56
Revenue received on issue of shares	(9)	(10)
Finance costs: Distributions	1,590	2,129
Finance costs: Interest	-	1
Total finance costs	1,590	2,130
Reconciliation of distributions:		
Net revenue after taxation	1,288	1,874
Capitalised fees	302	368
Overseas stock dividends not distributed	-	(113)
Finance costs: Distributions	1,590	2,129

Details of the interim and final distributions per unit are set out in the table on page **Error! Bookmark not defined..**

Distribution table

Interim distribution

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

	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.08.13 pence per share	Distribution paid 31.08.12 pence per share
Income 'A' Shares				
Group 1	1.5275	-	1.5275	1.4847
Group 2	0.9002	0.6273	1.5275	1.4847
Income 'R' Shares				
Group 1	1.5314	-	1.5314	0.0000
Group 2	1.0394	0.4920	1.5314	0.0000
Income 'S' Shares				
Group 1	1.6335	-	1.6335	1.5753
Group 2	1.1764	0.4571	1.6335	1.5753

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

Old Mutual Voyager Strategic Bond Fund

Launch date	22 August 2003
Sector classification	IMA £ Strategic Bond
Investment adviser	Old Mutual Investment Management Limited
Net asset value	£161,105,710

Objective

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

Policy

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

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

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value per share in pence and the number of shares in existence at the end of the accounting year. Shares were first issued at 50p per share. Income 'R' shares were first issued for sale on 26 February 2013 at 54.35p per share.

Date	Net asset value of sub-fund	Shares in issue	Net asset value per share
31.12.10			
GBP Income 'A'	£1,201,951	2,422,533	49.62
Retail Income	£58,317,836	117,743,920	49.53
31.12.11			
Euro Hedged Accumulation**	£272,848	576,333	47.34
GBP Income 'A'	£121,906,364	252,158,825	48.35
Retail Income*	-	-	-
USD Hedged Accumulation**	£20,835,030	40,089,159	51.97
31.12.12			
Euro Hedged Accumulation	£501,019	946,654	52.93
GBP Income 'A'	£149,567,295	278,837,966	53.64
USD Hedged Accumulation	£21,322,710	37,241,368	57.26
30.06.13***			
Euro Hedged Accumulation	£904,571	1,626,583	55.61
GBP Income 'A'	£136,223,638	257,825,848	52.84
GBP Income 'R'	£1,315,025	2,508,701	52.42
USD Hedged Accumulation	£22,662,476	37,226,066	60.88

* closed on 31 March 2011

** from 31 March 2011

*** to 30 June 2013

Comparative table

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

Calendar year	Highest price	Lowest price
2008		
GBP Income 'A'	49.31	37.62
Retail Income	49.21	37.52
2009		
GBP Income 'A'	48.44	36.69
Retail Income	48.27	36.61
2010		
GBP Income 'A'	51.68	46.76
Retail Income	51.57	46.67
2011		
Euro Hedged Accumulation**	58.95	54.71
GBP Income 'A'	52.02	46.99
Retail Income*	51.01	49.38
USD Hedged Accumulation**	83.61	77.94
2012		
Euro Hedged Accumulation	65.16	59.38
GBP Income 'A'	52.82	48.42
USD Hedged Accumulation	92.93	84.63
2013***		
Euro Hedged Accumulation	67.51	64.28
GBP Income 'A'	55.56	53.01
GBP Income 'R'****	55.46	52.98
USD Hedged Accumulation	96.47	91.95

* to 31 March 2011

** from 31 March 2011

*** to 30 June 2013

**** from 26 February 2013

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

Calendar year	Pence/cents per share
2008	
GBP Income 'A'	2.2297
Retail Income	2.0241
2009	
GBP Income 'A'	2.4017
Retail Income	2.3690
2010	
GBP Income 'A'	1.9734
Retail Income	1.8187
2011	
Euro Hedged Accumulation**	1.1450
GBP Income 'A'	1.9655
Retail Income*	0.8560
USD Hedged Accumulation**	1.5988
2012	
Euro Hedged Accumulation	2.2193
GBP Income 'A'	1.8843
USD Hedged Accumulation	3.1395
2013***	
Euro Hedged Accumulation	1.5593
GBP Income 'A'	1.3968
GBP Income 'R'****	0.9618
USD Hedged Accumulation	2.3570

* to 31 March 2011

** from 31 March 2011

*** to ex-dividend date of 30 June 2013 (payable on 30 August 2013)

**** from 26 February 2013

Investment Manager's review

The sub-fund outperformed its benchmark over the six month review period. The volatility in global fixed income markets in May and June provided a challenging environment in which to test whether strategic fixed income portfolios, which are designed to perform resiliently during times of stress in financial markets, can deliver. The sub-fund retained an underweight duration position over the six month interval which proved modestly beneficial for performance.

The first quarter of 2013 saw mixed performances from fixed income assets. Broadly, the first month and a half of the quarter was characterised by strength in higher risk bonds, in particular local currency emerging market debt, as sterling weakened, but also high yield, and to a lesser extent investment-grade corporate bonds. The second part of the quarter saw renewed strength in government bonds, although risk assets remained surprisingly resilient, not giving back the gains made earlier and in many cases continuing to rise.

The sub-fund began the new year long risk assets (principally an overweight in high yield securities). But in February we reduced the holding in high yield by completely selling out of funds solely dedicated to European high yield funds (notably the Nordea Fund).

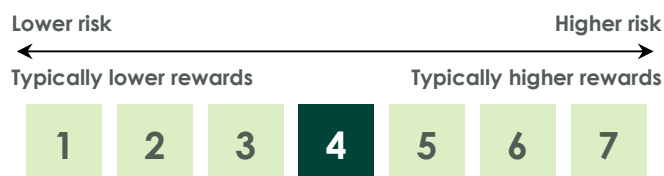
With yields for European high yield at such low levels, and high yield bonds so expensive the risk to high yield securities looked very high. Having benefitted from strong risk asset performance in January, we therefore took some of the cash raised in reducing the high yield holding to buy convertible bonds (through the purchase of a holding in European convertible bond fund Mirabaud). We added to our exposure to asset-backed bonds and bonds issued by financial firms by increasing our holding in OM Bond 1 (formerly the OM Sterling Fund).

The picture became more mixed in the second three months of the period. At first higher risk fixed income assets continued the trend of outperformance seen in February and March producing generally strong returns in April, supplemented by solid returns in government bonds as well. For much of April, the yield for ten-year UK government bonds remained below 1.7%. Bonds benefited in April from the Bank of Japan's announcement that it would join with other major central banks in undertaking quantitative easing. In the UK broad investment grade credit was the best performer in April. In common with our decision to run low levels of interest rate risk, this proved detrimental to returns in April as European high yield performed well. However, our overall positioning was well rewarded over May following stronger US labour market data.

The big change in the market backdrop came with the sell-off in bonds in the second half of May, which also saw bond yields rise sharply. There were two sparks for the sell-off, both coming from the US Federal Reserve. First, Fed Chairman Ben Bernanke's testimony to the US congress in May hinted at the Fed tapering its purchases of government and mortgage bonds at some point in the not-too-distant future. Subsequently, in the Fed's June meeting, committee members made further references to tapering, further prompting market declines.

It was notable that there was a sharp correction in inflation-linked bonds whose yields had risen much faster than those of nominal government bonds. Our underweight position in interest rate risk and no direct holding in inflation linked bonds therefore proved very beneficial for relative performance. Instead, the sub-fund remained focused on cautious tactical asset allocation. The sub-fund therefore proved quite resilient in the face of the correction. The volatility in fixed income markets continued through June. Bond prices declined over the month across asset classes, in some cases moving sharply lower.

Risk and Reward Profile



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

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

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

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

Credit risk - the issuer of a Bond or a similar investment within the sub-fund may not pay income or repay capital to the sub-fund when due.

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

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

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

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

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

Portfolio allocation

Fixed Income Funds	99.22%
Derivatives	0.38%
Net other assets	0.40%

Total **100.00%**

Asset allocation

Bonds	99.22%
Derivatives	0.38%
Net other assets	0.40%

Total **100.00%**

Major holdings	Percentage of portfolio
-----------------------	--------------------------------

Old Mutual Specialist Funds - Bond 1 Fund	18.85%
Old Mutual Specialist Funds - Bond 3 Fund	15.52%
Kames Capital ICVC - Strategic Bond Fund	13.28%
Old Mutual Investment Funds - Bond 2 Fund	12.42%
M&G Optimal Income Fund	10.11%
Schroder GAIA Global Macro Bond Fund	7.56%
Kames Capital ICVC - Sterling Corporate Bond Fund	6.98%
Mirabaud Convertible Bond Fund	5.12%
Old Mutual Local Currency Emerging Market Debt Fund	3.52%
Fidelity Investment Funds ICVC - MoneyBuilder Income Fund	3.31%

Number of holdings **12**

Ongoing charges figure (OCF)*

31.12.12 Euro Hedged Accumulation	1.54%
31.12.12 GBP Income 'A'	1.51%
31.12.12 USD Hedged Accumulation	1.54%
30.06.13 Euro Hedged Accumulation	1.78%
30.06.13 GBP Income 'A'	1.48%
30.06.13 GBP Income 'R'	0.98%
30.06.13 USD Hedged Accumulation	1.50%

*The ongoing charges figure is the ratio of the sub-fund's ongoing charges (including the ongoing charges of any collective investment schemes in which the sub-fund invests but excluding interest on borrowings) to the average net assets of the sub-fund.

All information is at 30 June 2013 unless otherwise stated.

Portfolio statement

as at 30 June 2013

Holdings	Investments	Market value £'000	Percentage of total net assets %
	Fixed Income Funds 99.22% (31 December 2012 99.57%)		
16,035,998	Fidelity Investment Funds ICVC - MoneyBuilder Income Fund	5,340	3.31
57,388	JPMorgan Income Opportunity Plus Fund	4,099	2.54
37,612,702	Kames Capital ICVC - Sterling Corporate Bond Fund	11,250	6.98
18,632,863	Kames Capital ICVC - Strategic Bond Fund	21,394	13.28
12,045,389	M&G Optimal Income Fund	16,291	10.11
81,945	Mirabaud Convertible Bond Fund	8,243	5.12
45,123,655	Old Mutual Investment Funds - Bond 2 Fund	20,012	12.42
603,660	Old Mutual Local Currency Emerging Market Debt Fund	5,666	3.52
68,641,582	Old Mutual Specialist Funds - Bond 1 Fund	30,367	18.85
57,790,494	Old Mutual Specialist Funds - Bond 3 Fund	24,995	15.52
115,998	Schroder GAIA Global Macro Bond Fund	12,185	7.56
24,946	Threadneedle Investment Funds ICVC - High Yield Bond Fund	15	0.01
		159,857	99.22
	Euro Denominated Open Forward Exchange Contract 0.00% (31 December 2012 0.04%)		
1,088,098	Euro v Sterling Forward Exchange Contract	7	—
		7	—
	Sterling Denominated Open Forward Exchange Contract 0.00% (31 December 2012 (0.05)%)		
6,214	Sterling v Euro Forward Exchange Contract	—	—
29,173	Sterling v United States dollar Forward Exchange Contract	—	—
25,621	Sterling v Euro Forward Exchange Contract	—	—
23,960	Sterling v United States dollar Forward Exchange Contract	—	—
33,348	Sterling v United States dollar Forward Exchange Contract	(1)	—
38,045	Sterling v United States dollar Forward Exchange Contract	(1)	—
65,764	Sterling v United States dollar Forward Exchange Contract	(1)	—
135,929	Sterling v United States dollar Forward Exchange Contract	(1)	—
118,094	Sterling v United States dollar Forward Exchange Contract	(2)	—
133,664	Sterling v United States dollar Forward Exchange Contract	(2)	—
226,956	Sterling v United States dollar Forward Exchange Contract	(2)	—
110,146	Sterling v United States dollar Forward Exchange Contract	(3)	—
		(13)	—
	US Dollar Denominated Open Forward Exchange Contract 0.38% (31 December 2012 (0.03)%)		
35,642,033	US Dollar v Sterling Forward Exchange Contract	621	0.38
122,322	US Dollar v Sterling Forward Exchange Contract	2	—
34,300	US Dollar v Sterling Forward Exchange Contract	1	—
2,568	US Dollar v Sterling Forward Exchange Contract	—	—
		624	0.38
	Investment assets*	160,475	99.60
	Net other assets	631	0.39
	Total net assets	161,106	100.00

*Including investment liabilities

Statement of total return

for the period from 1 January 2013 to 30 June 2013

	Notes	01.01.13 to 30.06.13 £'000	01.01.13 to 30.06.13 £'000	01.01.12 to 30.06.12 £'000	01.01.12 to 30.06.12 £'000
Income					
Net capital (losses)/gains			(1,347)		4,342
Revenue		5,045		4,722	
Expenses		(794)		(730)	
Finance costs: Interest	2	(2)		-	
Net revenue before taxation		4,249		3,992	
Taxation		(52)		(44)	
Net revenue after taxation			4,197		3,948
Total return before distributions			2,850		8,290
Finance costs: Distributions	2		(3,986)		(3,773)
Change in net assets attributable to shareholders from investment activities			(1,136)		4,517

Statement of change in net assets attributable to shareholders

for the period from 1 January 2013 to 30 June 2013

	01.01.13 to 30.06.13 £'000	01.01.13 to 30.06.13 £'000	*01.01.12 to 30.06.12 £'000	01.01.12 to 30.06.12 £'000
Opening net assets attributable to shareholders		171,391		143,014
Amounts received on issue of shares	9,597		20,931	
Amounts paid on cancellation of shares	(19,178)		(13,398)	
		(9,581)		7,533
Stamp duty reserve tax		(2)		(3)
Change in net assets attributable to shareholders from investment activities		(1,136)		4,517
Retained distribution on accumulation shares		434		415
Closing net assets attributable to shareholders		161,106		155,476

*Section 3.30 of the IMA SORP issued in October 2010 requires comparative figures for the above statement. For interim financial statements this will result in the closing comparative net assets not being equal to the net assets at the start of the current period.

The notes on pages 29 form an integral part of these financial statements.

Balance sheet

as at 30 June 2013

	30.06.13 £'000	30.06.13 £'000	31.12.12 £'000	31.12.12 £'000
Assets				
Investment assets		160,488		170,734
Debtors	921		758	
Cash and bank balances	3,014		<u>2,079</u>	
Total other assets		3,935		2,837
Total assets		164,423		<u>173,571</u>
Liabilities				
Investment liabilities		(13)		(149)
Creditors	(1,758)		(1,000)	
Distribution payable on income shares	(1,546)		<u>(1,031)</u>	
Total other liabilities		(3,304)		<u>(2,031)</u>
Total liabilities		(3,317)		<u>(2,180)</u>
Net assets attributable to shareholders		161,106		<u>171,391</u>

The notes on page 29 form an integral part of these financial statements.

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Notes to the financial statements

for the period from 1 January 2013 to 30 June 2013

1 Accounting policies

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

The accounting policies applied are consistent with those disclosed within the annual Financial Statements for the year ended 31 December 2012.

2 Finance costs

Distribution and interest

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

	01.01.13 to 30.06.13 £'000	01.01.12 to 30.06.12 £'000
First Interim (31 March)	1,649	1,676
Second Interim (30 June)	2,262	2,143
	3,911	3,819
Revenue deducted on cancellation of shares	142	113
Revenue received on issue of shares	(67)	(159)
Finance costs: Distributions	3,986	3,773
Finance costs: Interest	2	-
Total finance costs	3,988	3,773
Reconciliation of distributions:		
Net revenue after taxation	4,197	3,948
ACD capitalised fee rebate	(263)	(219)
Tax charge on income taken to capital	52	44
Finance costs: Distributions	3,986	3,773

Details of the interim and final distributions per unit are set out in the table on page 30.

Distribution table

Second Interim distribution

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

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 30.08.13 pence per share	Distribution paid 31.08.12 pence per share
Euro Hedged Accumulation Shares						
Group 1	0.8516	0.1703	0.6813	-	0.6813	0.6702
Group 2	0.2950	0.0590	0.2360	0.4453	0.6813	0.6702
GBP Income 'A' Shares						
Group 1	0.7434	0.1487	0.5947	-	0.5947	0.5640
Group 2	0.2609	0.0522	0.2087	0.3860	0.5947	0.5640
GBP Income 'R' Shares						
Group 1	0.6595	0.1319	0.5276	-	0.5276	0.0000
Group 2	0.2845	0.0569	0.2276	0.3000	0.5276	0.0000
USD Hedged Accumulation Shares						
Group 1	1.2913	0.2583	1.0330	-	1.0330	0.9277
Group 2	0.4649	0.0930	0.3719	0.6611	1.0330	0.9277

First Interim distribution

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

	Gross revenue pence per share	Income tax pence per share**	Net revenue pence per share	Equalisation pence per share*	Distribution paid 31.05.13 pence per share	Distribution paid 31.05.12 pence per share
Euro Hedged Accumulation Shares						
Group 1	0.5560	0.1112	0.4448	-	0.4448	0.5146
Group 2	0.0000	-	0.0000	0.4448	0.4448	0.5146
GBP Income 'A' Shares						
Group 1	0.5405	0.1081	0.4324	-	0.4324	0.4453
Group 2	0.0205	0.0041	0.0164	0.4160	0.4324	0.4453
GBP Income 'R' Shares						
Group 1	0.5428	0.1086	0.4342	-	0.4342	0.0000
Group 2	0.0000	-	0.0000	0.4342	0.4342	0.0000
USD Hedged Accumulation Shares						
Group 1	0.8633	0.1727	0.6906	-	0.6906	0.7531
Group 2	0.0495	0.0099	0.0396	0.6510	0.6906	0.7531

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

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