

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

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

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Fund information

Authorised Corporate Director

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

Authorised and regulated by the Financial Conduct Authority.

Depositary

National Westminster Bank plc
135 Bishopsgate
London
EC2M 3UR

Authorised and regulated by the Financial Conduct Authority.

Legal Advisers

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

Auditor

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

Administrator

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

Registrar

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

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

Risk Monitoring Provider

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

Directors of the ACD

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

Fund information (continued)

Investment adviser

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

Regulated by the US Securities and Exchange Commission.

Authorised Corporate Director's report

Directors' report

The Directors presents the report and financial statements for the Old Mutual Spectrum Funds (the "Fund") for the year from 1 May 2012 to 30 April 2013. The Fund was launched on 13 December 2002 and units for each sub-fund were first offered for sale at 50p each.

Authorised status

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

Liability

If the Fund is unable to meet liabilities attributed to any particular sub-fund out of the assets attributed to that sub-fund, excess liabilities may have to be met out of the assets attributable to the other sub-funds. Shareholders do not have any proprietary interest in the underlying assets of the Fund and are not liable for the debts of the Fund.

Economic and market overview

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

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

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

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

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

Merger of Skandia Investment Group and Old Mutual Asset Managers UK

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

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

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

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

Authorised Corporate Director's report (continued)

The changes relevant to this Fund are as below:

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

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

Authorised Corporate Director's report (continued)

Retail distribution review share class launch

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

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

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

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

Share class launch

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

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

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

Additional information

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

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

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

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



Mitchell Dean
Director
Old Mutual Investment Management Limited

27 August 2013



Paul J R Nathan
Director
Old Mutual Investment Management Limited

27 August 2013

Authorised Corporate Director's report (continued)

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

Net asset value of sub-funds

| | 30 April 2013 | | | 30 April 2012 | | |
|---|--|-----------------|---------------------------|--|-----------------|---------------------------|
| | Net asset value of sub-fund by share class | Shares in issue | Net asset value per share | Net asset value of sub-fund by share class | Shares in issue | Net asset value per share |
| Old Mutual Generation 3:4 A Shares Inc* | £692,211 | 1,309,022 | 52.88p | n/a | n/a | n/a |
| Old Mutual Generation 3:4 R Shares Inc* | £2,122,936 | 4,000,000 | 53.07p | n/a | n/a | n/a |
| Old Mutual Generation 3:6 A Shares Inc* | £677,098 | 1,310,990 | 51.65p | n/a | n/a | n/a |
| Old Mutual Generation 3:6 R Shares Inc* | £2,072,578 | 4,000,378 | 51.81p | n/a | n/a | n/a |
| Old Mutual Generation 4:4 A Shares Inc* | £963,124 | 1,767,816 | 54.48p | n/a | n/a | n/a |
| Old Mutual Generation 4:4 R Shares Inc* | £26,254,645 | 48,058,543 | 54.63p | n/a | n/a | n/a |
| Old Mutual Generation 4:6 A Shares Inc* | £1,397,644 | 2,630,384 | 53.13p | n/a | n/a | n/a |
| Old Mutual Generation 4:6 R Shares Inc* | £25,638,149 | 48,095,302 | 53.31p | n/a | n/a | n/a |
| Old Mutual Spectrum 3 Accumulation 'A' | £333,249,806 | 520,290,494 | 64.05p | £282,459,007 | 474,187,986 | 59.57p |
| Old Mutual Spectrum 3 Accumulation 'R'* | £938,366 | 1,464,603 | 64.07p | n/a | n/a | n/a |
| Old Mutual Spectrum 4 Accumulation 'A' | £454,737,359 | 715,655,298 | 63.54p | £359,225,593 | 613,898,325 | 58.52p |
| Old Mutual Spectrum 4 Accumulation 'R'* | £835,841 | 1,314,957 | 63.56p | n/a | n/a | n/a |
| Old Mutual Spectrum 5 Accumulation 'A' | £500,905,848 | 792,101,890 | 63.24p | £409,288,850 | 709,679,580 | 57.67p |
| Old Mutual Spectrum 5 Accumulation 'R'* | £1,713,421 | 2,707,987 | 63.27p | n/a | n/a | n/a |
| Old Mutual Spectrum 6 Accumulation 'A' | £322,063,136 | 519,965,663 | 61.94p | £241,606,200 | 432,850,802 | 55.82p |
| Old Mutual Spectrum 6 Accumulation 'R'* | £604,305 | 974,913 | 61.99p | n/a | n/a | n/a |
| Old Mutual Spectrum 7 Accumulation 'A' | £114,256,965 | 188,346,192 | 60.66p | £91,726,228 | 169,263,103 | 54.19p |
| Old Mutual Spectrum 7 Accumulation 'R'* | £282,002 | 464,394 | 60.72p | n/a | n/a | n/a |
| Old Mutual Spectrum 8 Accumulation 'A' | £66,193,303 | 112,167,382 | 59.01p | £44,410,349 | 84,972,623 | 52.26p |
| Old Mutual Spectrum 8 Accumulation 'R'* | £290,978 | 492,420 | 59.09p | n/a | n/a | n/a |

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

Statement of the Authorised Corporate Director's responsibilities

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

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

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

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

for the year from 1 May 2012 to 30 April 2013

The Depositary is responsible for the safekeeping of all the property of the Company (other than tangible moveable property) which is entrusted to it and for the collection of revenue that arises from that property.

It is the duty of the Depositary to take reasonable care to ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook ('the COLL'), as amended, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, ("the OEIC Regulations"), the Company's Instrument of Incorporation and Prospectus, in relation to the pricing of, and dealings in, shares in the Company; the application of revenue of the Company; and the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

- has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's revenue in accordance with the COLL and, where applicable, the OEIC Regulations, the Instrument of Incorporation and the Prospectus of the Company, and
- has observed the investment and borrowing powers and restrictions applicable to the Company.

National Westminster Bank Plc
Depositary
27 August 2013

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

We have audited the financial statements of the Company for the year ended 30 April 2013 set out on pages 13 to 23; 30 to 39; 46 to 55; 63 to 72; 79 to 88; 93 to 103; 108 to 118; 123 to 133; 138 to 148; 153 to 163 and 168 to 178. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ("the COLL Rules") issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Authorised Corporate Director ("the ACD") Old Mutual Global Investors (UK) Limited and auditor

As explained more fully in the Statement of ACD's Responsibilities set out on page 10 the ACD is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial position of the Company as at 30 April 2013 and of the net revenue and the net capital gains on the property of the Company for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds and the COLL Rules.

Opinion on other matters prescribed by the COLL Rules

In our opinion the information given in the Authorised Corporate Director's Report is consistent with the financial statements.

We have received all the information and explanations which we consider necessary for the purposes of our audit.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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



Catherine Burnet

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

27 August 2013

Aggregated statement of total return

for the year from 1 May 2012 to 30 April 2013

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

Aggregated statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

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

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

Aggregated balance sheet

as at 30 April 2013

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

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

Notes to the aggregated financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

a) Basis of accounting

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

b) Recognition of revenue

Dividends on quoted ordinary shares, preference shares and distributions on holdings in Collective Investment Schemes are recognised when the securities are quoted ex-dividend. Where such securities are not quoted, dividends are recognised when they are declared. Bank interest is recognised on an accruals basis. All distributions from accumulation holdings in Collective Investment Schemes are treated as revenue. Equalisation on distributions received from Collective Investment Schemes is recognised as revenue. All revenue is recognised at a gross amount that includes any withholding taxes but excludes any other taxes such as attributable tax credits.

c) Treatment of stock dividends

Ordinary stock dividends are recognised wholly as revenue and are based on the market value of the shares on the dates they are quoted ex-dividend. Where an enhancement is offered, the amount by which the market value of the shares (on the date they are quoted ex-dividend) exceeds the cash dividend is taken to capital.

The ordinary element of stock dividends is treated as revenue but does not form part of the distribution.

d) Special dividends and share buy-backs

The underlying circumstances behind both special dividends and share buy-backs are reviewed in determining whether the receipt is income or capital in nature. Special dividends and share buy-backs recognised as revenue will form part of the distribution. Any tax treatment will follow the accounting treatment of the principal amount.

e) Underwriting commission

Underwriting commission is wholly recognised as revenue when the issue takes place, except where the Fund is required to take up some or all of the shares underwritten, in which case an appropriate proportion of the commission received is deducted from the cost of those shares.

f) Treatment of expenses

All expenses, except those relating to the purchase and sale of investments and stamp duty reserve tax, are charged against revenue for sub-funds Spectrum 3 through to 8. All expenses are charged against capital for the Generation sub-funds. The Authorised Corporate Director's periodic charge is expensed against revenue for sub-funds Spectrum 3 through to 8. The Authorised Corporate Director's periodic charge is expensed against capital for the Generation sub-funds.

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

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

h) Revenue allocation to share classes

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

i) Taxation and deferred taxation

Provision is made for corporation tax at the current rate on the excess of taxable revenue over allowable expenses. Provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes. A deferred tax asset is recognised only to the extent that there will be taxable profits in the future against which the asset can be offset.

j) Distribution policy

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

k) Basis of valuation of investments

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

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

Notes to the aggregated financial statements (continued)

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies (continued)

k) Basis of valuation of investments (continued)

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

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

l) Currency translation

Assets and liabilities in foreign currencies are translated into sterling at the exchange rates ruling at close of business on the last business day of the accounting year.

Revenue items in foreign currencies are translated into sterling at the exchange rates ruling when the revenue is received, with any gains or losses forming part of the distribution. Gains and losses on capital items will not form part of the distribution.

m) Financial instruments

Where appropriate, certain permitted financial instruments such as derivatives or forward currency contracts are used for efficient portfolio management. Where such financial instruments are used to protect or enhance revenue, the revenue and expenses derived therefrom are included in "Revenue" or "Expenses" in the statement of total return. Where such financial instruments are used to protect or enhance capital, the gains and losses derived therefrom are included in "Net capital gains/(losses)" in the statement of total return. Any positions on such financial instruments open at the year end are reflected in the balance sheet at their market value at the close of business on the last business day of the accounting year.

n) Dilution policy

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

o) Aggregation

The aggregated financial statements represent the sum of the individual sub-funds within the umbrella scheme. Further analysis of the distribution and the net asset position can be found within the financial statements of the individual sub-funds.

Notes to the aggregated financial statements (continued)

For the year from 1 May 2012 to 30 April 2013

2 Net capital gains/(losses)

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

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

3 Revenue

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

Notes to the aggregated financial statements (continued)

4 Expenses

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

Notes to the aggregated financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

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

Corporation tax has been provided for at a rate of 20% (30 April 2012: 20%).

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

6 Finance costs

Distribution and interest

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

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

Notes to the aggregated financial statements (continued)

7 Debtors

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

8 Cash and bank balances

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

9 Creditors

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

10 Related party transactions

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

Notes to the aggregated financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

b) Currency exposure risk

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

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

c) Interest rate risk

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

d) Fair value of financial assets and liabilities

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

e) Counterparty risk

Certain transactions in financial instruments that sub-funds enter into have the risk that the counterparty will not meet its financial obligations, ie the investment (purchase) or cash (sale) after the sub-funds have fulfilled its responsibilities.

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

f) Credit risk

Credit risk is the risk of suffering loss due to another party not meeting its financial obligation. Bond investors are exposed to credit risk which reflects the ability of a borrower to meet its obligations, i.e. pay the interest on a bond and return the capital on the redemption date. Generally the higher quality the issuer, the lower the interest rate at which they can borrow money. Issuers of lower quality will tend to have to pay more to borrow to compensate the lender (the purchaser of a bond) for the extra risk taken.

The value of a bond will fall in the event of a default on principal or coupon payment or reduced credit rating of the issuer. Generally the higher the rate of interest on any bond, the higher the perceived credit risk of the issuer. The impact of any default is reduced by diversification of the underlying sub-funds' portfolio across a wide spread of issuers and sectors.

g) Sensitivity analysis

The Fund may use derivatives for efficient portfolio management and during the year entered into forward foreign exchange contracts (or futures contracts) in order to minimise the effect of exchange rate movements. Due to the use of forward foreign exchange contracts, the percentage movements in the value of the Fund will be different from the percentage movements in the market. The use of derivatives in a rising market may restrict potential gains.

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

Notes to the aggregated financial statements (continued)

11 Derivatives and other financial instruments (continued)

g) Sensitivity analysis (continued)

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

h) Liquidity risk

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

i) Market price risk

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

Accumulation and Income Shares are currently available for each Generation sub-fund as specified in the Prospectus. The Spectrum sub-funds currently have Accumulation 'R' and Accumulation 'A' share classes in issue. The net asset value of each share class, net asset value per share and the number of shares in issue are given in the information pages for each sub-fund.

The share classes currently in issue and the ACD's fee of each share class are shown below:

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

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

Notes to the aggregated financial statements (continued)

14 Shareholders' funds (continued)

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

15 Material events post balance sheet date

There are no material post balance sheet events.

Old Mutual Generation Target 3:4 Fund

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

Objective

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

Policy

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

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* to 30 April

Income (Net Distributions)

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

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

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

Investment Manager's review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

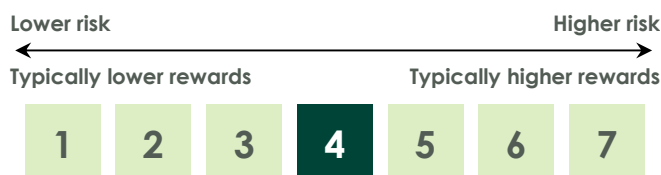
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Portfolio statement (continued)

as at 30 April 2013

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

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the period from 9 November 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Generation Target 3:4 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Losses on derivative contracts

Losses on forward currency contracts

Handling charges

Net capital gains

| 09.11.12 to 30.04.13 £'000 |
|----------------------------------|
| 153 |
| (10) |
| (5) |
| (1) |
| 137 |

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Derivative income

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

| 09.11.12 to 30.04.13 £'000 |
|----------------------------------|
| 4 |
| 4 |
| 1 |
| 7 |
| 15 |
| 2 |
| 1 |
| 15 |
| 49 |

Notes to the financial statements (continued)

4 Expenses

| | 01.11.12 to 30.04.13 £'000 |
|--|----------------------------------|
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them: | |
| Authorised Corporate Director's periodic charge | 6 |
| | 6 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | |
| Depositary's fees | - |
| Safe custody fees | - |
| | - |
| Other expenses: | |
| Administration fees | 3 |
| Audit fees * | 7 |
| Risk & compliance monitoring fees | 9 |
| | 19 |
| Total expenses | 25 |

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

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

b) Factors affecting current tax charge for the year

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

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

9 Creditors

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

Notes to the financial statements (continued)

10 Related party transactions

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

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

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

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

b) Currency exposures

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

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

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

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 was as follows:

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

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

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

d) Fair value of financial assets and financial liabilities

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 3:4 Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the sub-fund as at 30 April 2013 was 3.27%.

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

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

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 3:4 Fund are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 24.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

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

Old Mutual Generation Target 3:6 Fund

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

Objective

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

Policy

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

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* to 30 April

Income (Net Distributions)

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

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

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

Investment Manager's review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

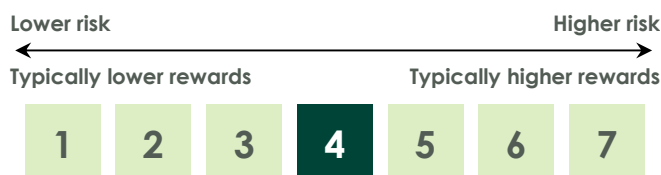
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Portfolio statement (continued)

as at 30 April 2013

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

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the period from 9 November 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Generation Target 3:6 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains

The net capital gains on investments comprise:

Gains on non-derivative securities

Losses on currency contracts

Losses on derivative contracts

Losses on forward currency contracts

Handling charges

Net capital gains

| 09.11.12 to 30.04.13 £'000 |
|----------------------------------|
| 134 |
| (1) |
| (42) |
| (5) |
| (1) |
| 85 |

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Derivative income

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

| 09.11.12 to 30.04.13 £'000 |
|----------------------------------|
| 4 |
| 4 |
| 30 |
| 17 |
| 2 |
| 1 |
| 11 |
| 69 |

Notes to the financial statements (continued)

4 Expenses

| | 09.11.12 to 30.04.13 £'000 |
|--|----------------------------------|
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them: | |
| Authorised Corporate Director's periodic charge | 6 |
| | 6 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | |
| Depositary's fees | - |
| Safe custody fees | - |
| | - |
| Other expenses: | |
| Administration fees | 3 |
| Audit fees * | 7 |
| Risk & compliance monitoring fees | 9 |
| | 19 |
| Total expenses | 25 |

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

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

b) Factors affecting current tax charge for the period

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

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

b) Currency exposures

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

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

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

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 was as follows:

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

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

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

d) Fair value of financial assets and financial liabilities

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 3:6 Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the fund and the benchmark as at 30/04/2013 was 3.83% and 6.48% respectively.

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

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

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 3:6 Fund are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 40.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

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

Old Mutual Generation Target 4:4 Fund

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

Objective

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

Policy

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

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* from 9 November 2012

** to 30 April

Income (Net Distributions)

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

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

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

Investment Manager's review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

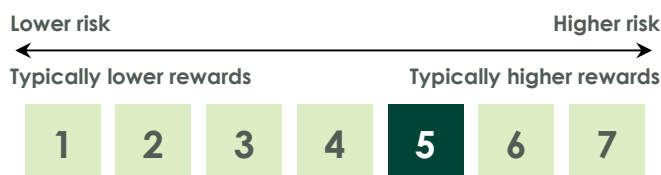
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Portfolio statement (continued)

as at 30 April 2013

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

Portfolio statement (continued)

as at 30 April 2013

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

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For period from 9 November 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains

The net capital gains on investments comprise:

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

3 Revenue

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

Notes to the financial statements (continued)

4 Expenses

| | 09.11.12 to 30.04.13 £'000 |
|--|----------------------------------|
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them: | |
| Authorised Corporate Director's periodic charge | 64 |
| | 64 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | |
| Depositary's fees | 1 |
| Safe custody fees | 1 |
| | 2 |
| Other expenses: | |
| Administration fees | 7 |
| Audit fees * | 7 |
| Risk & compliance monitoring fees | 10 |
| | 24 |
| Total expenses | 90 |

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

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

b) Factors affecting current tax charge for the period

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

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

a) Financial instrument risk (continued)

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

b) Currency exposures

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

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

Currency

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

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 was as follows:

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

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

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

d) Fair value of financial assets and financial liabilities

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 4:4 Fund, including any derivative exposures, using a Value at Risk ("VaR") methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the fund and the benchmark as at 30/04/2013 was 4.25% and 6.48% respectively.

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

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

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 4:4 Fund are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 56.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

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

Old Mutual Generation Target 4:6 Fund

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

Objective

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

Policy

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

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* to 30 April

Income (Net Distributions)

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

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

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

Investment Manager's review

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

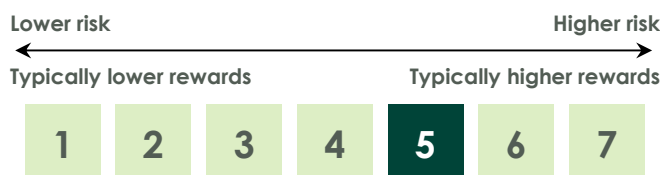
We moved from overweight to neutral equities after their long period of gains, and thus we moved to overweight cash as a result of the more challenging market environment.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Portfolio statement (continued)

as at 30 April 2013

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

* Including investment liabilities

Statement of total return

for the period from 9 November 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the period from 9 November 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the period from 9 November 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains

The net capital gains on investments comprise:

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

3 Revenue

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

Notes to the financial statements (continued)

4 Expenses

| | 09.11.12 to 30.04.13 £'000 |
|--|----------------------------------|
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them: | |
| Authorised Corporate Director's periodic charge | 63 |
| | 63 |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | |
| Depositary's fees | 1 |
| Safe custody fees | 1 |
| | 2 |
| Other expenses: | |
| Administration fees | 7 |
| Audit fees * | 7 |
| Investment adviser fees | 1 |
| Risk & compliance monitoring fees | 10 |
| | 25 |
| Total expenses | 90 |

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the period

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

b) Factors affecting current tax charge for the period

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

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

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

b) Currency exposures

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

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

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

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

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

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

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

d) Fair value of financial assets and financial liabilities

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

e) Sensitivity analysis

The Investment Manager assesses the market risk of the Old Mutual Generation Target 4:6 Fund, including any derivative exposures, using a Value at Risk ('VaR') methodology. VaR is a process that provides the Investment Manager with an estimate of the maximum potential loss that could be expected to occur as a result of changes in market prices over a given period of time in all but a given percentage of circumstances. If the calculated percentage is lower than that of its representative benchmark, the sub-fund's performance should be less volatile than the benchmark, or more volatile if higher than the benchmark.

Derivatives are held pursuant to the investment objective. In particular the sub-fund uses options to generate additional income. The options are written on indices which represent the underlying assets of the Funds, and are consistent with the investment objectives. The VaR for the sub-fund as at 30 April 2013 was 4.47%.

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

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

f) Liquidity risk

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

g) Market risk

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

h) Fair value of financial assets and liabilities

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

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Generation Target 4:6 Fund are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 73.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

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

Old Mutual Spectrum 3 Fund

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

Objective

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

Policy

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* from 28 April 2008

** to 30 April 2013

*** from 25 February 2013

Income (Net Accumulations)

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

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

* from 28 April 2008

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

*** From 25 February 2013

Investment Manager's review

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

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

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

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

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

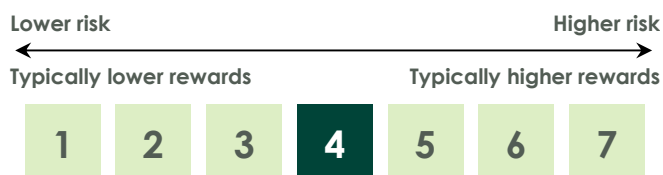
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

| Asset allocation | | Major holdings | Percentage of portfolio |
|-------------------------------|----------------|--|--------------------------------|
| Bonds | 42.46% | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 12.57% |
| Equities | 27.65% | Old Mutual Specialist Funds - Bond 1 Fund | 12.02% |
| Property | 14.68% | Old Mutual Specialist Funds - Bond 2 Fund | 10.95% |
| Gilts | 10.60% | Old Mutual Specialist Funds - Gilt Fund | 10.60% |
| Net other assets | 4.61% | M&G Property Portfolio Fund | 10.31% |
| Total | 100.00% | Old Mutual Specialist Funds - Bond 3 Fund | 6.34% |
| Portfolio allocation | | Wellington Management Global Credit Plus Fund | 5.26% |
| UK Bonds | 26.12% | Old Mutual Property Fund | 4.37% |
| Global Equities | 20.00% | Fidelity Moneybuilder Income Fund | 3.15% |
| UK Property | 14.68% | Old Mutual Local Currency Emerging Market Debt Fund | 2.90% |
| Overseas Bonds | 13.44% | | |
| UK Gilts | 10.60% | Number of holdings | 23 |
| UK Equities | 7.65% | | |
| Global Emerging Markets Bonds | 2.90% | Ongoing charges figure (OCF)* | |
| Net other assets | 4.61% | 30.04.13 Accumulation 'A' | 1.83% |
| Total | 100.00% | 30.04.13 Accumulation 'R' | 1.08% |

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Statement of total return

for the year from 1 May 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

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

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

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

Notes to the financial statements (continued)

4 Expenses

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

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

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

b) Factors affecting current tax charge for the year

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

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

b) Currency exposures

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

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

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

d) Fair value of financial assets and financial liabilities

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

e) Sensitivity analysis

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

f) Liquidity risk

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

g) Market risk

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

12 Commitments, contingent liabilities and contingent assets

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

Notes to the financial statements (continued)

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 3 are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 89.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

Interim distribution

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

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

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

Old Mutual Spectrum 4 Fund

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

Objective

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

Policy

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* from 28 April 2008

** to 30 April 2013

*** from 19 February 2013

Income (Net Accumulations)

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

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

* from 28 April 2008

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

*** from 19 February 2013

Investment Manager's review

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

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

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

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

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

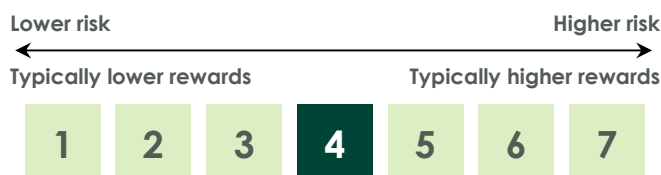
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

| Asset allocation | | Major holdings | Percentage of portfolio |
|-------------------------------|----------------|--|--------------------------------|
| Equities | 38.26% | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 17.11% |
| Bonds | 33.84% | M&G Property Portfolio Fund | 10.22% |
| Property | 14.61% | Old Mutual Specialist Funds - Bond 1 Fund | 9.71% |
| Gilts | 8.79% | Old Mutual Specialist Funds - Gilt Fund | 8.79% |
| | | Old Mutual Specialist Funds - Bond 2 Fund | 8.37% |
| | | Old Mutual Specialist Funds - Bond 3 Fund | 5.31% |
| | | Old Mutual Property Fund | 4.39% |
| | | Wellington Management Global Credit Plus Fund | 4.23% |
| | | Old Mutual Multimanager Trust - Equity 2 Fund | 3.29% |
| | | Old Mutual Multimanager Trust - UK Alpha Fund | 3.28% |
| Net other assets | 4.50% | | |
| Total | 100.00% | | |
| Portfolio allocation | | Number of holdings | 23 |
| Gobal Equities | 27.28% | Ongoing charges figure (OCF)* | |
| UK Bonds | 20.50% | 30.04.13 Accumulation 'A' | 1.85% |
| UK Property | 14.61% | 30.04.13 Accumulation 'R' | 1.10% |
| Overseas Bonds | 11.02% | | |
| UK Equities | 10.98% | | |
| UK Gilts | 8.79% | | |
| Global Emerging Markets Bonds | 2.32% | | |
| Net other assets | 4.50% | | |
| Total | 100.00% | | |

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Statement of total return

for the year from 1 May 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

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

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

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

Notes to the financial statements (continued)

4 Expenses

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

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

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

b) Factors affecting current tax charge for the year

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below: | | |
| Net revenue before taxation | 10,503 | 7,912 |
| Corporation tax at 20% (30 April 2012: 20%) | 2,101 | 1,582 |
| Effects of: | | |
| Franked investment revenue at 20% | (428) | (251) |
| Movement in revenue accruals taxable on receipt | (270) | (24) |
| Non-taxable overseas dividends | (1) | (15) |
| Total current tax charge for the year (see note 5 (a)) | 1,402 | 1,292 |

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

b) Currency exposures

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

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

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

d) Fair value of financial assets and financial liabilities

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

e) Sensitivity analysis

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

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 4 are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 104.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

Interim distribution

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

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

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

Old Mutual Spectrum 5 Fund

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

Objective

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

Policy

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* from 28 April 2008

** to 30 April 2013

*** from 18 February 2013

Income (Net Accumulations)

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

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

* from 28 April 2008

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

*** From 18 February 2013

Investment Manager's review

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

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

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

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

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

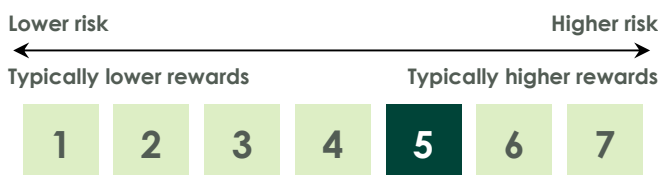
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Statement of total return

for the year from 1 May 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| | 46,346 | (7,278) |
| | 2 | 1 |
| | (7) | (10) |
| | 46,341 | (7,287) |

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| | 2,022 | 1,612 |
| | 1,237 | 1,120 |
| | 12 | 8 |
| | 2,513 | 1,976 |
| | 122 | 115 |
| | 5 | - |
| | 941 | 877 |
| | 8,960 | 7,368 |
| | 15,812 | 13,076 |

Notes to the financial statements (continued)

4 Expenses

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

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

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

b) Factors affecting current tax charge for the year

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below: | | |
| Net revenue before taxation | 10,289 | 8,687 |
| Corporation tax at 20% (30 April 2012: 20%) | 2,058 | 1,737 |
| Effects of: | | |
| Franked investment revenue at 20% | (503) | (395) |
| Movement in revenue accruals taxable on receipt | (231) | (21) |
| Non-taxable overseas dividends | (25) | (23) |
| Total current tax charge for the year (see note 5 (a)) | 1,299 | 1,298 |

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

b) Currency exposures

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

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

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

d) Fair value of financial assets and financial liabilities

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

e) Sensitivity analysis

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

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 5 are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 119.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

Interim distribution

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

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

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

Old Mutual Spectrum 6 Fund

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

Objective

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

Policy

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* from 28 April 2008

** to 30 April 2013

*** from 15 February 2013

Income (Net Accumulations)

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

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

* from 28 April 2008

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

*** From 15 February 2013

Investment Manager's review

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

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

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

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

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

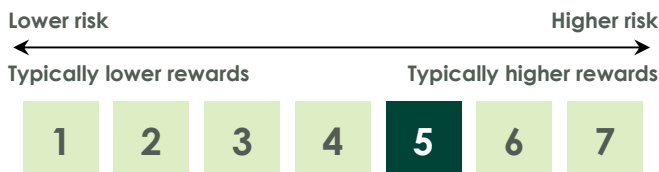
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

| Asset allocation | | Major holdings | Percentage of portfolio |
|-------------------------------|----------------|--|--------------------------------|
| Equities | 58.64% | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 25.36% |
| Bonds | 18.64% | M&G Property Portfolio Fund | 9.06% |
| Property | 14.69% | Old Mutual Property Fund | 5.63% |
| Gilts | 4.70% | Old Mutual Specialist Funds - Bond 1 Fund | 5.36% |
| | | Old Mutual Multimanager Trust - Equity 2 Fund | 5.24% |
| | | Old Mutual Multimanager Trust - UK Alpha Fund | 5.22% |
| | | Old Mutual Specialist Funds - Gilt Fund | 4.70% |
| | | Old Mutual Specialist Funds - Bond 2 Fund | 4.67% |
| | | Old Mutual Multimanager Trust - Equity 1 Fund | 4.39% |
| | | Old Mutual Investment Funds - Global Best Ideas Fund | 3.16% |
| Net other assets | 3.33% | | |
| Total | 100.00% | | |
| Portfolio allocation | | Number of holdings | 23 |
| Global Equities | 41.15% | | |
| UK Equities | 17.49% | | |
| UK Property | 14.69% | | |
| UK Bonds | 11.38% | | |
| Overseas Bonds | 6.01% | | |
| UK Gilts | 4.70% | | |
| Global Emerging Markets Bonds | 1.25% | | |
| Net other assets | 3.33% | | |
| Total | 100.00% | | |
| | | Ongoing charges figure (OCF)* | |
| | | 30.04.13 Accumulation 'A' | 1.91% |
| | | 30.04.13 Accumulation 'R' | 1.16% |

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Statement of total return

for the year from 1 May 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

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

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

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

Notes to the financial statements (continued)

4 Expenses

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

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

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

b) Factors affecting current tax charge for the year

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below: | | |
| Net revenue before taxation | 5,363 | 4,444 |
| Corporation tax at 20% (30 April 2012: 20%) | 1,073 | 889 |
| Effects of: | | |
| Franked investment revenue at 20% | (373) | (289) |
| Movement in revenue accruals taxable on receipt | (113) | (11) |
| Non-taxable overseas dividends | (18) | (16) |
| Total current tax charge for the year (see note 5 (a)) | 569 | 573 |

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

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

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

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

7 Debtors

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

8 Cash and bank balances

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

Notes to the financial statements (continued)

9 Creditors

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

10 Related party transactions

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

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

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

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

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

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

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

b) Currency exposures

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

c) Interest rate risk

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

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

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

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

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

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

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

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

d) Fair value of financial assets and financial liabilities

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

e) Sensitivity analysis

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

f) Liquidity risk

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

g) Market risk

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

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

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

13 Portfolio transaction costs

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

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 6 are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 134.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

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

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

Interim distribution

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

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

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

Old Mutual Spectrum 7 Fund

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

Objective

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

Policy

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

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

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

Performance record

Net asset value

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

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

Comparative table

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

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

* from 28 April 2008

** to 30 April 2013

*** from 18 February 2013

Income (Net Accumulations)

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

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

* from 28 April 2008

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

*** From 18 February 2013

Investment Manager's review

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

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

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

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

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

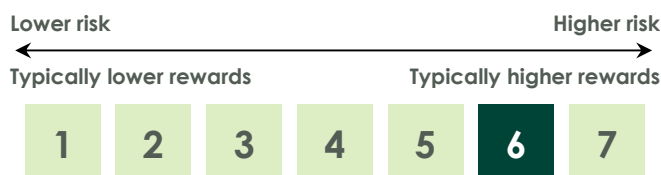
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

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

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

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

Risk and Reward Profile



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

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

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

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

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

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

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

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

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

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

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

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

Statement of total return

for the year from 1 May 2012 to 30 April 2013

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

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

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

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

Balance sheet

as at 30 April 2013

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

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

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

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

2 Net capital gains/(losses)

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

Gains/(losses) on non-derivative securities

Gains on currency contracts

Handling charges

Net capital gains/(losses)

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

3 Revenue

Authorised Corporate Director's fee rebate

Authorised Corporate Director's capitalised fee rebate

Bank and term deposit interest

Franked distributions on Collective Investment Schemes

Non-taxable overseas dividends

Non-taxable distributions from offshore funds

Taxable overseas dividends

Unfranked distributions on Collective Investment Schemes

Total revenue

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

Notes to the financial statements (continued)

4 Expenses

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

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

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

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

b) Factors affecting current tax charge for the year

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below: | | |
| Net revenue before taxation | 1,543 | 1,322 |
| Corporation tax at 20% (30 April 2012: 20%) | 308 | 264 |
| Effects of: | | |
| Franked investment revenue at 20% | (152) | (126) |
| Movement in revenue accruals taxable on receipt | (24) | (5) |
| Non-taxable overseas dividends | (8) | (7) |
| Total current tax charge for the year (see note 5 (a)) | 124 | 126 |

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

c) Movement in deferred tax

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

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|---|----------------------------------|----------------------------------|
| Interim (31 October) | 685 | 591 |
| Final (30 April) | 569 | 475 |
| | <u>1,254</u> | <u>1,066</u> |
| Revenue deducted on cancellation of shares | 18 | 16 |
| Revenue received on issue of shares | (44) | (52) |
| Finance costs: Distributions | 1,228 | 1,030 |
| Finance costs: Interest | 1 | - |
| Total finance costs | 1,229 | 1,030 |
| Reconciliation of distributions: | | |
| Net revenue after taxation | 1,395 | 1,191 |
| Authorised Corporate Director's capitalised fee rebates | (208) | (201) |
| Tax charge on income taken to capital | 41 | 40 |
| Finance costs: Distributions | 1,228 | 1,030 |

Details of the interim and final distributions per share are set out in the table on page 163.

7 Debtors

| | 30.04.13 £'000 | 30.04.12 £'000 |
|---|-------------------|-------------------|
| Accrued Authorised Corporate Director's fee rebates | 149 | 61 |
| Accrued revenue | 164 | 143 |
| Amounts receivable for issue of shares | 441 | 326 |
| Income tax recoverable | 39 | 223 |
| Sales awaiting settlement | 342 | - |
| Total debtors | 1,135 | 753 |

8 Cash and bank balances

| | 30.04.13 £'000 | 30.04.12 £'000 |
|-------------------------------------|-------------------|-------------------|
| Cash and bank balances | 3,236 | 1,106 |
| Total cash and bank balances | 3,236 | 1,106 |

Notes to the financial statements (continued)

9 Creditors

| | 30.04.13 £'000 | 30.04.12 £'000 |
|---|-------------------|-------------------|
| Accrued Authorised Corporate Director's periodic charge | 116 | 86 |
| Accrued Depository's fees | 1 | - |
| Accrued expenses | 81 | 27 |
| Amounts payable for cancellation of shares | 22 | 17 |
| Corporation tax payable | 12 | 223 |
| Deferred tax | 58 | 34 |
| Purchases awaiting settlement | 342 | - |
| Total creditors | 632 | 387 |

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

| Shares | Security Name | Market Value £'000 | Gross Income Earned £'000 |
|------------|--|-----------------------|---------------------------------|
| 132,805 | Old Mutual Global Futures Fund | 1,276 | - |
| 5,296,083 | Old Mutual Investment Funds - Global Best Ideas Fund | 4,204 | - |
| 37,800,578 | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 33,862 | 76 |
| - | Old Mutual Investment Grade Corporate Bond Fund | - | 36 |
| 83,221 | Old Mutual Local Currency Emerging Market Debt Fund | 865 | 45 |
| 7,675,342 | Old Mutual Multimanager Trust - Equity 1 Fund | 5,946 | 59 |
| 6,214,982 | Old Mutual Multimanager Trust - Equity 2 Fund | 7,085 | 166 |
| 6,438,021 | Old Mutual Multimanager Trust - UK Alpha Fund | 7,063 | 130 |
| 12,189,604 | Old Mutual Property Fund | 5,888 | 207 |
| 7,781,295 | Old Mutual Specialist Funds - Bond 1 Fund | 3,527 | 181 |
| 3,922,960 | Old Mutual Specialist Funds - Bond 2 Fund | 3,086 | 128 |
| 4,227,493 | Old Mutual Specialist Funds - Bond 3 Fund | 1,897 | 161 |
| 4,140,893 | Old Mutual Specialist Funds - Gilt Fund | 3,103 | 85 |
| - | Old Mutual UK Equity Fund | - | 33 |
| - | Skandia UK Best Ideas Fund | - | 1 |

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 149.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

| Currency | Variable rate financial assets* £'000 | Fixed rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|--------------|---|---|---|----------------|
| 30.04.13 | | | | |
| Sterling | 3,236 | - | 111,935 | 115,171 |
| Total | 3,236 | - | 111,935 | 115,171 |

| Currency | Variable rate financial assets* £'000 | Fixed rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|--------------|---|---|---|----------------|
| 30.04.12 | | | | |
| Sterling | 1,086 | - | 83,380 | 84,466 |
| US Dollar | 20 | - | - | 20 |
| Total | 1,106 | - | 83,380 | 84,486 |

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

| Currency | Variable rate financial liabilities* £'000 | Financial liabilities not carrying interest £'000 | Total £'000 |
|--------------|---|---|----------------|
| 30.04.13 | | | |
| Sterling | - | (632) | (632) |
| Total | - | (632) | (632) |

| Currency | Variable rate financial liabilities* £'000 | Financial liabilities not carrying interest £'000 | Total £'000 |
|--------------|---|---|----------------|
| 30.04.12 | | | |
| Sterling | - | (387) | (387) |
| Total | - | (387) | (387) |

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other Bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

d) Fair value of financial assets and financial liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance sheet, and their fair value.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum Fund 7 are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 149.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

| | Net revenue pence per share | Equalisation pence per share* | Distribution paid 28.06.13 pence per share | Distribution paid 30.06.12 pence per share |
|--------------------------------|--------------------------------|----------------------------------|--|--|
| Accumulation 'A' Shares | | | | |
| Group 1 | 0.3014 | - | 0.3014 | 0.2978 |
| Group 2 | 0.2259 | 0.0755 | 0.3014 | 0.2978 |
| Accumulation 'R' Shares | | | | |
| Group 1 | 0.3559 | - | 0.3559 | - |
| Group 2 | 0.1452 | 0.2107 | 0.3559 | - |

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

| | Net revenue pence per share | Equalisation pence per share* | Distribution paid 31.12.12 pence per share | Distribution paid 31.12.11 pence per share |
|--------------------------------|--------------------------------|----------------------------------|--|--|
| Accumulation 'A' Shares | | | | |
| Group 1 | 0.4048 | - | 0.4048 | 0.4034 |
| Group 2 | 0.4035 | 0.0013 | 0.4048 | 0.4034 |

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Old Mutual Spectrum 8 Fund

| | |
|------------------------------|--|
| Launch date | 28 April 2008 |
| Sector classification | Unclassified |
| Investment adviser | Old Mutual Investment Management Limited |
| Net asset value | £66,484,281 |

Objective

The sub-fund aims to achieve long-term capital growth by investing in a diversified range of asset classes. The risk profile of the sub-fund is aggressive with a significant exposure, 70% to 90%, to equities.

Policy

The sub-fund will predominantly invest in units in collective investment schemes, including those managed and operated by the ACD, but cash, near cash and permitted deposits may also be held.

The assets within these collective investment schemes will form a diversified portfolio, predominately of cash, money market instruments, international and UK equities, property and fixed income. However securities of other asset classes may be held.

For efficient portfolio management purposes only, investment may also be made into derivatives or forward transactions.

Performance record

Net asset value

The table below shows the total net asset value of the sub-fund, the net asset value in pence per share and the number of shares in existence at the end of the accounting period. Shares were first issued at 50p per share. Accumulation 'R' shares were first issued for sale on 19 February 2013 at 57.97p per share.

| Date | Net asset value of sub-fund | Shares in issue | Net asset value per share |
|------------------------------|-----------------------------|-----------------|---------------------------|
| 30.04.11 Accumulation 'A' | £32,583,904 | 61,015,772 | 53.40 |
| 30.04.12 Accumulation 'A' | £40,245,270 | 78,866,818 | 51.03 |
| 30.04.13 Accumulation 'A' | £66,193,303 | 112,167,382 | 59.01 |
| Accumulation 'R' | £290,978 | 492,420 | 59.09 |

Comparative table

The table below shows the highest and lowest share prices in pence per share for the calendar years indicated below.

| Calendar year | Highest price | Lowest price |
|---------------------|---------------|--------------|
| 2008* | | |
| Accumulation 'A' | 51.61 | 32.80 |
| 2009 | | |
| Accumulation 'A' | 46.22 | 31.95 |
| 2010 | | |
| Accumulation 'A' | 53.32 | 44.04 |
| 2011 | | |
| Accumulation 'A' | 54.63 | 44.89 |
| 2012 | | |
| Accumulation 'A' | 54.58 | 48.32 |
| 2013** | | |
| Accumulation 'A' | 60.21 | 54.93 |
| Accumulation 'R'*** | 60.24 | 57.97 |

* from 28 April 2008

** to 30 April 2013

*** from 19 February 2013

Income (Net Accumulations)

The table below shows the net revenue accumulated per share in pence for the calendar years indicated below.

| Calendar year | Pence per share |
|---------------------|-----------------|
| 2008* | |
| Accumulation 'A' | 0.4075 |
| 2009 | |
| Accumulation 'A' | 0.5085 |
| 2010 | |
| Accumulation 'A' | 0.5314 |
| 2011 | |
| Accumulation 'A' | 0.4724 |
| 2012 | |
| Accumulation 'A' | 0.5209 |
| 2013** | |
| Accumulation 'A' | 0.1952 |
| Accumulation 'R'*** | 0.2968 |

* from 28 April 2008

** ex dividend date of 30 April and payable on 28 June 2013

*** From 19 February 2013

Investment Manager's review

The performance for these funds also ended the review year ahead of the benchmark, with positive absolute gains, though with a relatively higher level of risk, not as markedly as the funds holding less risk.

During most of the review year, the funds remained positioned for a further recovery in risk assets. However, after their long spell of outperformance, the holding in high yield bonds was trimmed towards the end of the period. For risk-management purposes, a small holding in quality sovereign bonds was maintained, notably German, Japanese and US issues, though a holding in UK gilts was modestly reduced after a period of gains. The rallies in equity markets during the period were a salient reminder that bull markets do not necessarily require rosy economic backdrops. Of course, in Europe worries about the evolving debt crisis led the region's equities to underperform markets elsewhere. The manager saw this as a good opportunity to buy European companies with excellent prospects at very attractive prices.

In all the funds, the equity component was the biggest contributor to performance, followed closely by fixed income. But the holdings in alternative assets detracted.

Within equities, the holdings in UK stocks were a top factor benefiting the Spectrum funds. The UK market performed strongly during much of the period, and mid-caps did particularly well, which is where much of the Spectrum funds' allocations were.

Aside from the UK, the equity holdings in Europe, Japan and the US were the strongest areas for absolute returns.

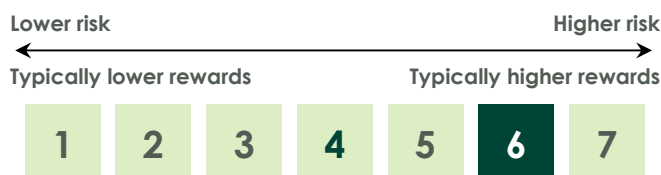
In the fixed income area, being generally underweight duration was another positive for the funds. Likewise being overweight corporate bonds was very beneficial, with high yield managers doing particularly well.

However, the portfolios' holdings in alternative investments were weak and detracted from performance. The relatively larger holdings in these assets in the Spectrum funds with higher risk profiles were thus a greater hindrance to their performance. The performance of alternative assets was poor mainly because the choppy market conditions that characterised much of the interval did not suit many of the sub-managers' trend-following style.

As a result, manager selection was also a negative for Spectrum returns in alternatives. Manager selection was unhelpful in the property, emerging market equity and global equity holdings as well.

The weakest relative performance was mainly in May and June 2012 when markets were falling, particularly among the portfolios' US and European holdings. March of this year was another poor month, but this time the weakest areas were in higher risk emerging market equities and once again European stocks, which continued to suffer from concerns over the euro zone.

Risk and Reward Profile



The calculated risk and reward category, as shown above, uses a method of calculation derived from EU rules. It is based on the rate at which the returns of the Fund have moved up and down in the past (i.e. volatility) and is not a guide to the future risk and reward category of the Fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment. The seven-category scale is nonlinear, for example, 2 is not twice as risky as 1.

Funds in category 6 have in the past shown relatively high volatility. With a fund of category 6, you have a relatively high risk of losing money but your chance for gains is also relatively high.

Investment risk - the performance aim is not a guarantee, may not be achieved and a capital loss may occur. Funds which have a higher performance aim generally take more risk to achieve this and so have a greater potential for the returns to be significantly different than expected.

Strategy risk - as the sub-fund primarily invests in other collective investment schemes, which themselves invest in assets such as bonds, company shares, cash and currencies, it will be subject to the collective risks of these other funds.

Currency risk - the sub-fund is denominated in British Pounds but may hold assets denominated in, or with exposure to, other currencies. The value of your shares may rise and fall as a result of exchange rate movements between these currencies.

Derivative risk - the sub-fund may use derivatives to reduce costs and/or the overall risk of the Fund (i.e. Efficient Portfolio Management (EPM)). Derivatives involve a level of risk, however, for EPM; they should not increase the overall riskiness of the Fund. Derivatives also involve counterparty risk where the institutions acting as counterparty to derivatives may not meet its contractual obligations.

Capital erosion risk - the sub-fund takes charges from capital of the sub-fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the sub-fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.

For a more detailed explanation of risks, please refer to the "Risks" section of the prospectus.

| Asset allocation | | Major holdings | Percentage of portfolio |
|-------------------------------|----------------|--|--------------------------------|
| Equities | 78.84% | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 33.96% |
| Property | 14.37% | M&G Property Portfolio Fund | 9.35% |
| Bonds | 3.08% | Old Mutual Multimanager Trust - Equity 2 Fund | 7.20% |
| Gilts | 0.84% | Old Mutual Multimanager Trust - UK Alpha Fund | 7.17% |
| | | Old Mutual Multimanager Trust - Equity 1 Fund | 6.03% |
| | | Old Mutual Property Fund | 5.02% |
| | | Old Mutual Investment Funds - Global Best Ideas Fund | 4.06% |
| | | Dimensional Emerging Markets Target Value Fund | 3.70% |
| | | Artemis UK Growth Fund | 3.58% |
| | | BlackRock North American Equity Tracker Fund | 3.05% |
| Net other assets | 2.87% | | |
| Total | 100.00% | | |
| Portfolio allocation | | Number of holdings | 23 |
| Global Equities | 54.86% | Ongoing charges figure (OCF)* | |
| UK Equities | 23.98% | 30.04.13 Accumulation 'A' | 2.10% |
| UK Property | 14.37% | 30.04.13 Accumulation 'R' | 1.35% |
| UK Bonds | 1.83% | | |
| Overseas Bonds | 1.03% | | |
| UK Gilts | 0.84% | | |
| Global Emerging Markets Bonds | 0.22% | | |
| Net other assets | 2.87% | | |
| Total | 100.00% | | |

* The ongoing charges figure is the ratio of the sub-fund's ongoing charges (including the ongoing charges of any collective investment schemes in which the sub-fund invests but excluding interest on borrowings) to the average net assets of the subfund.

All information is at 30 April 2013 unless otherwise stated.

Portfolio statement

as at 30 April 2013

| Holdings | Investments | Market value £'000 | Percentage of total net assets % |
|--|--|-----------------------|---|
| United Kingdom 41.02% (30 April 2012 47.11%) | | | |
| UK Bonds 1.83% (30 April 2012 1.09%) | | | |
| 381,477 | Fidelity Moneybuilder Income Fund | 135 | 0.20 |
| 1,348,658 | Old Mutual Specialist Funds - Bond 1 Fund | 611 | 0.92 |
| 597,573 | Old Mutual Specialist Funds - Bond 2 Fund | 470 | 0.71 |
| | | 1,216 | 1.83 |
| UK Equities 23.98% (30 April 2012 30.77%) | | | |
| 660,715 | Artemis UK Growth Fund | 2,383 | 3.58 |
| 5,179,014 | Old Mutual Multimanager Trust - Equity 1 Fund | 4,012 | 6.03 |
| 4,193,682 | Old Mutual Multimanager Trust - Equity 2 Fund | 4,781 | 7.20 |
| 4,343,482 | Old Mutual Multimanager Trust - UK Alpha Fund | 4,765 | 7.17 |
| | | 15,941 | 23.98 |
| UK Gilts 0.84% (30 April 2012 0.97%) | | | |
| 741,253 | Old Mutual Specialist Funds - Gilt Fund | 555 | 0.84 |
| | | 555 | 0.84 |
| UK Property 14.37% (30 April 2012 14.28%) | | | |
| 611,895 | M&G Property Portfolio Fund | 6,212 | 9.35 |
| 6,912,999 | Old Mutual Property Fund | 3,339 | 5.02 |
| | | 9,551 | 14.37 |
| Overseas 56.11% (30 April 2012 51.20%) | | | |
| Global Emerging Markets Bonds 0.22% (30 April 2012 0.22%) | | | |
| 14,218 | Old Mutual Local Currency Emerging Market Debt Fund | 148 | 0.22 |
| | | 148 | 0.22 |
| Global Equities 54.86% (30 April 2012 49.24%) | | | |
| 1,302,497 | BlackRock Continental European Equity Tracker Fund | 1,979 | 2.98 |
| 890,962 | BlackRock Japan Equity Tracker Fund | 1,199 | 1.80 |
| 1,230,524 | BlackRock North American Equity Tracker Fund | 2,026 | 3.05 |
| 408,765 | BlackRock Pacific ex Japan Equity Tracker Fund | 912 | 1.37 |
| 149,880 | Dimensional Emerging Markets Target Value Fund | 2,460 | 3.70 |
| 16,646 | Fulcrum Alternative Beta Plus Fund | 1,739 | 2.62 |
| 91,333 | Old Mutual Global Futures Fund | 878 | 1.32 |
| 3,401,381 | Old Mutual Investment Funds - Global Best Ideas Fund | 2,700 | 4.06 |
| 25,211,151 | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 22,585 | 33.96 |
| | | 36,478 | 54.86 |
| Overseas Bonds 1.03% (30 April 2012 1.74%) | | | |
| 943 | Mirabaud Convertible Bond Fund | 94 | 0.14 |
| 722,896 | Old Mutual Specialist Funds - Bond 3 Fund | 325 | 0.49 |
| 25,077 | Wellington Management Global Credit Plus Fund | 267 | 0.40 |
| | | 686 | 1.03 |
| Investment assets | | 64,575 | 97.13 |
| Net other assets | | 1,909 | 2.87 |
| Total net assets | | 66,484 | 100.00 |

Statement of total return

for the year from 1 May 2012 to 30 April 2013

| | | 01.05.12 to 30.04.13 £'000 | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 | 01.05.11 to 30.04.12 £'000 |
|---|--------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Notes | | | | |
| Income | | | | | |
| Net capital gains/(losses) | 2 | | 6,889 | | (1,826) |
| Revenue | 3 | 1,301 | | 994 | |
| Expenses | 4 | (715) | | (537) | |
| Finance costs: Interest | 6 | - | | - | |
| Net revenue before taxation | | 586 | | 457 | |
| Taxation | 5 | (27) | | (20) | |
| Net revenue after taxation | | | 559 | | 437 |
| Total return before distributions | | | 7,448 | | (1,389) |
| Finance costs: Distributions | 6 | | (484) | | (363) |
| Change in net assets attributable to shareholders from investment activities | | | 6,964 | | (1,752) |

Statement of change in net assets attributable to shareholders

for the year from 1 May 2012 to 30 April 2013

| | | 01.05.12 to 30.04.13 £'000 | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Opening net assets attributable to shareholders | | | 40,245 | | 32,584 |
| Amounts received on issue of shares | | 24,797 | | 13,242 | |
| Amounts paid on cancellation of shares | | (5,994) | | (4,184) | |
| | | | 18,803 | | 9,058 |
| Stamp duty reserve tax | | | (22) | | (20) |
| Change in net assets attributable to shareholders from investment activities | | | 6,964 | | (1,752) |
| Retained distribution on accumulation shares | | | 494 | | 375 |
| Closing net assets attributable to shareholders | | | 66,484 | | 40,245 |

The notes on pages 170 to 177 form an integral part of these financial statements.

Balance sheet

as at 30 April 2013

| | Notes | 30.04.13 £'000 | 30.04.13 £'000 | 30.04.12 £'000 | 30.04.12 £'000 |
|--|-------|-------------------|-------------------|-------------------|-------------------|
| Assets | | | | | |
| Investment assets | | | 64,575 | | 39,566 |
| Debtors | 7 | 644 | | 258 | |
| Cash and bank balances | 8 | 2,001 | | 533 | |
| Total other assets | | | 2,645 | | 791 |
| Total assets | | | 67,220 | | 40,357 |
| Liabilities | | | | | |
| Creditors | 9 | (736) | | (112) | |
| Total other liabilities | | | (736) | | (112) |
| Total liabilities | | | (736) | | (112) |
| Net assets attributable to shareholders | | | 66,484 | | 40,245 |

The notes on pages 170 to 177 form an integral part of these statements.

Notes to the financial statements

For the year from 1 May 2012 to 30 April 2013

1 Accounting policies

The applicable accounting policies adopted by the Old Mutual Spectrum 8 Fund are included on pages 15 to 16 of the Notes to the aggregated financial statements.

2 Net capital gains/(losses)

The net capital gains/(losses) on investments comprise:

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|---|----------------------------------|----------------------------------|
| Gains/(losses) on non-derivative securities | 6,896 | (1,817) |
| Losses on currency contracts | (2) | - |
| Handling charges | (5) | (9) |
| Net capital gains/(losses) | 6,889 | (1,826) |

3 Revenue

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| Authorised Corporate Director's fee rebate | 336 | 245 |
| Authorised Corporate Director's capitalised fee rebate | 93 | 92 |
| Bank and term deposit interest | 1 | - |
| Franked distributions on Collective Investment Schemes | 429 | 337 |
| Non-taxable overseas dividends | 22 | 20 |
| Taxable overseas dividends | 12 | 10 |
| Unfranked distributions on Collective Investment Schemes | 408 | 290 |
| Total revenue | 1,301 | 994 |

Notes to the financial statements (continued)

4 Expenses

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|---|----------------------------------|----------------------------------|
| Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them: | | |
| Authorised Corporate Director's periodic charge | 607 | 440 |
| | <u>607</u> | <u>440</u> |
| Payable to the Depositary, associates of the Depositary, and agents of either of them: | | |
| Depositary's fees | 6 | 5 |
| Safe custody fees | 8 | 1 |
| | <u>14</u> | <u>6</u> |
| Other expenses: | | |
| Administration fees | 53 | 75 |
| Audit fees * | 7 | 6 |
| Financial consultancy fees | 8 | 10 |
| Legal fees | 2 | - |
| Professional fees | 8 | - |
| Risk & compliance monitoring fees | 16 | - |
| | <u>94</u> | <u>91</u> |
| Total expenses | <u>715</u> | <u>537</u> |

* The Audit fee for the year, excluding VAT, was £5,500 (30 April 2012: £5,365).

Notes to the financial statements (continued)

5 Taxation

a) Analysis of tax charge in the year

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| Corporation tax suffered | 14 | 18 |
| Total current tax charge for the year (see note 5(b)) | 14 | 18 |
| Deferred tax charge for the year | 13 | 2 |
| Deferred tax charge for the year (see note 5(c)) | 13 | 2 |
| Total taxation for the year | 27 | 20 |

b) Factors affecting current tax charge for the year

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| The taxation assessed for the year is lower than the standard rate of corporation tax in the UK for an open-ended investment company (20%). The differences are explained below: | | |
| Net revenue before taxation | 586 | 457 |
| Corporation tax at 20% (30 April 2012: 20%) | 117 | 91 |
| Effects of: | | |
| Franked investment revenue at 20% | (86) | (67) |
| Movement in revenue accruals taxable on receipt | (13) | (2) |
| Non-taxable overseas dividends | (4) | (4) |
| Total current tax charge for the year (see note 5 (a)) | 14 | 18 |

OEIC's are exempt from tax on capital gains, therefore, any capital return is not included in the above reconciliation.

c) Movement in deferred tax

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|--|----------------------------------|----------------------------------|
| Deferred tax at the start of the year | 17 | 15 |
| Deferred tax charge for the year (see note 5(a)) | 13 | 2 |
| Deferred tax at the end of the year | 30 | 17 |

Notes to the financial statements (continued)

6 Finance costs

Distribution and interest

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

| | 01.05.12 to 30.04.13 £'000 | 01.05.11 to 30.04.12 £'000 |
|---|----------------------------------|----------------------------------|
| Interim (31 October) | 274 | 218 |
| Final (30 April) | 220 | 157 |
| | 494 | 375 |
| Revenue deducted on cancellation of shares | 7 | 5 |
| Revenue received on issue of shares | (17) | (17) |
| Finance costs: Distributions | 484 | 363 |
| Finance costs: Interest | - | - |
| Total finance costs | 484 | 363 |
| Reconciliation of distributions: | | |
| Net revenue after taxation | 559 | 437 |
| Authorised Corporate Director's capitalised fee rebates | (93) | (92) |
| CT relief transfer | 5 | - |
| Tax charge on income taken to capital | 13 | 18 |
| Finance costs: Distributions | 484 | 363 |

Details of the interim and final distributions per share are set out in the table on page 178.

7 Debtors

| | 30.04.13 £'000 | 30.04.12 £'000 |
|---|-------------------|-------------------|
| Accrued Authorised Corporate Director's fee rebates | 90 | 30 |
| Accrued revenue | 62 | 32 |
| Amounts receivable for issue of shares | 226 | 135 |
| Corporation tax recoverable | 41 | - |
| Income tax recoverable | 26 | 61 |
| Sales awaiting settlement | 199 | - |
| Total debtors | 644 | 258 |

8 Cash and bank balances

| | 30.04.13 £'000 | 30.04.12 £'000 |
|-------------------------------------|-------------------|-------------------|
| Cash and bank balances | 2,001 | 533 |
| Total cash and bank balances | 2,001 | 533 |

Notes to the financial statements (continued)

9 Creditors

| | 30.04.13 £'000 | 30.04.12 £'000 |
|---|-------------------|-------------------|
| Accrued Authorised Corporate Director's periodic charge | 68 | 41 |
| Accrued expenses | 70 | 25 |
| Amounts payable for cancellation of shares | 369 | 29 |
| Deferred tax | 30 | 17 |
| Purchases awaiting settlement | 199 | - |
| Total creditors | 736 | 112 |

10 Related party transactions

Old Mutual Investment Management Limited, as Authorised Corporate Director, (ACD), is a related party, and acts as principal in respect of all transactions of shares in each sub-fund. The aggregate monies received on issue and paid on cancellation are disclosed in the Aggregated statement of change in net assets attributable to shareholders on page 13. Any amounts due to or from Old Mutual Investment Management Limited at the end of the accounting period in respect of transactions of shares in each sub-fund are disclosed in notes 7 and 9. Other amounts payable to the ACD are disclosed in note 4 and amounts due to it at the year end are disclosed in note 9.

The fund held the following securities and the noted income in related funds throughout the period to 30 April 2013:

| Shares | Security Name | Market Value £'000 | Gross Income Earned £'000 |
|------------|--|-----------------------|---------------------------------|
| 91,333 | Old Mutual Global Futures Fund | 878 | - |
| 3,401,381 | Old Mutual Investment Funds - Global Best Ideas Fund | 2,700 | - |
| 25,211,151 | Old Mutual Investment Funds - Voyager Global Dynamic Equity Fund | 22,584 | 40 |
| - | Old Mutual Investment Grade Corporate Bond Fund | - | 5 |
| 14,218 | Old Mutual Local Currency Emerging Market Debt Fund | 148 | 6 |
| 5,179,014 | Old Mutual Multimanager Trust - Equity 1 Fund | 4,012 | 36 |
| 4,193,682 | Old Mutual Multimanager Trust - Equity 2 Fund | 4,781 | 114 |
| 4,343,482 | Old Mutual Multimanager Trust - UK Alpha Fund | 4,765 | 84 |
| 6,912,999 | Old Mutual Property Fund | 3,339 | 138 |
| 1,348,658 | Old Mutual Specialist Funds - Bond 1 Fund | 611 | 28 |
| 597,573 | Old Mutual Specialist Funds - Bond 2 Fund | 470 | 17 |
| 722,896 | Old Mutual Specialist Funds - Bond 3 Fund | 324 | 25 |
| 741,253 | Old Mutual Specialist Funds - Gilt Fund | 555 | 12 |
| - | Old Mutual UK Equity Fund | - | 18 |
| - | Skandia UK Best Ideas Fund | - | 1 |

Notes to the financial statements (continued)

11 Derivatives and other financial instruments

a) Financial instrument risk

The sub-fund has little direct exposure to credit or cash flow risk. The sub-fund is indirectly exposed to credit risk through the bond funds in which it invests. There are no material borrowings or unlisted securities and so little exposure to liquidity risk.

The main risks it faces arising from its financial instruments are (i) interest rate risk, and (ii) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate movements. In addition, the sub-fund may hold financial instruments such as forward currency contracts, futures or options contracts for the purpose of efficient portfolio management.

These risks are monitored by the Investment Manager in pursuance of the investment objectives and policy set out in page 164.

Adherence to the investment guidelines and the investment and borrowing powers as set out in the Prospectus and in the rules of the Regulations mitigates the risk of excessive exposure to any particular type of security or issuer. Further information on the investment portfolio is set out in the Investment Manager review and the Portfolio statement.

The Investment Manager regularly considers the asset allocation of the portfolio in order to minimise the risk associated with particular market or industry sectors. Stock selection is based on financial, market and sector analysis.

b) Currency exposures

There are no material direct exposures to foreign currencies as at the Balance sheet date (30 April 2012: £Nil). The sub-fund has indirect exposure to foreign currencies through the funds in which it invests.

c) Interest rate risk

Interest rate risk is the risk of movements in the value of financial instruments as a result of fluctuations in interest rates.

The interest rate risk profile of the sub-fund's financial assets and liabilities at 30 April 2013 (30 April 2012) was as follows:

| Currency | Variable rate financial assets* £'000 | Fixed rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|--------------|---|---|---|----------------|
| 30.04.13 | | | | |
| Sterling | 2,001 | - | 65,219 | 67,220 |
| Total | 2,001 | - | 65,219 | 67,220 |

| Currency | Variable rate financial assets* £'000 | Fixed rate financial assets £'000 | Financial assets not carrying interest £'000 | Total £'000 |
|--------------|---|---|---|----------------|
| 30.04.12 | | | | |
| Sterling | 518 | - | 39,824 | 40,342 |
| US Dollar | 15 | - | - | 15 |
| Total | 533 | - | 39,824 | 40,357 |

Notes to the financial statements (continued)

11 Derivatives and other financial instruments (continued)

c) Interest rate risk (continued)

| Currency | Variable rate financial liabilities* £'000 | Financial liabilities not carrying interest £'000 | Total £'000 |
|--------------|---|---|----------------|
| 30.04.13 | | | |
| Sterling | - | (736) | (736) |
| Total | - | (736) | (736) |

| Currency | Variable rate financial liabilities* £'000 | Financial liabilities not carrying interest £'000 | Total £'000 |
|--------------|---|---|----------------|
| 30.04.12 | | | |
| Sterling | - | (112) | (112) |
| Total | - | (112) | (112) |

* Changes in the base rate will cause movements in the interest rate applied to cash balances and overdrafts. The sub-fund holds cash on a deposit account with the National Westminster Bank Plc which has an interest rate of the Bank of England base rate less 50 basis points with a minimum payable of 2%. Other Bank accounts of the sub-fund held with Citi have a contractual right to set off. Interest receivable on the net position is currently at a rate of 0.25% and interest payable is at a rate of 2%.

d) Fair value of financial assets and financial liabilities

There is no material difference between the carrying value of the financial assets and liabilities, as shown in the Balance sheet, and their fair value.

e) Sensitivity analysis

In the opinion of the ACD there is no sophisticated derivative use within the sub-funds and accordingly, a sensitivity analysis is not presented.

f) Liquidity risk

Each sub-fund's assets comprise mainly of readily realisable securities which can be sold promptly to meet liquidity requirements. The main source of this risk comes from the obligation from shareholders to meet any cancellation of shares. Assets from a sub-fund may need to be sold to meet any redemption proceeds. As part of its operating duties the ACD regularly monitors the liquidity levels held on each sub-fund (cash and underlying securities) to ensure any redemptions can be readily met. Some investments may be less liquid than other securities and can be more sensitive to economic factors. The rules of the Regulations mitigates the risk of excessive to assets which are not readily realisable.

g) Market risk

Market risk arises from uncertainty about future prices of financial instruments held. The main source of risk to the sub-fund is the potential movement in the value of financial instruments held as a result of price fluctuations. Stock market prices can move erratically and be unpredictably affected by diverse factors including political and economic events but also rumours and sentiment. The ACD adheres to the investment guidelines and borrowing powers set out within the Prospectus and the COLL Sourcebook. In this way the ACD monitors and controls the exposure to risk from any type of security, sector or issuer. The sub-fund may also use derivative instruments to mitigate risk and reduce cost.

Notes to the financial statements (continued)

12 Commitments, contingent liabilities and contingent assets

The sub-fund had no contingent liabilities at the Balance sheet date.

13 Portfolio transaction costs

There are no transaction costs associated with Collective Investment Schemes, as any dealing charges are incorporated in the price of underlying investment.

14 Shareholders' funds

The details of the shareholders' funds for the Old Mutual Spectrum 8 Fund are included on page 22 of the Notes to the aggregated financial statements.

The net asset value of the sub-fund, net asset value per share and number of shares in issue are given in the comparative table on page 164.

15 Material events post balance sheet date

There are no material post balance sheet events.

Distribution table

Final distribution

Group 1: Shares purchased prior to 1 November 2012
 Group 2: Shares purchased from 1 November 2012 to 30 April 2013

| | Net revenue pence per share | Equalisation pence per share* | Distribution paid 28.06.13 pence per share | Distribution paid 30.06.12 pence per share |
|--------------------------------|--------------------------------|----------------------------------|--|--|
| Accumulation 'A' Shares | | | | |
| Group 1 | 0.1952 | - | 0.1952 | 0.1985 |
| Group 2 | 0.1739 | 0.0213 | 0.1952 | 0.1985 |
| Accumulation 'R' Shares | | | | |
| Group 1 | 0.2968 | - | 0.2968 | - |
| Group 2 | 0.2628 | 0.0340 | 0.2968 | - |

Interim distribution

Group 1: Shares purchased prior to 1 May 2012
 Group 2: Shares purchased from 1 May 2012 to 31 October 2012

| | Net revenue pence per share | Equalisation pence per share* | Distribution paid 31.12.12 pence per share | Distribution paid 31.12.11 pence per share |
|--------------------------------|--------------------------------|----------------------------------|--|--|
| Accumulation 'A' Shares | | | | |
| Group 1 | 0.3224 | - | 0.3224 | 0.3071 |
| Group 2 | 0.3224 | 0.0000 | 0.3224 | 0.3071 |

* Equalisation only applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of all Group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.