M&G Episode Income Fund

a sub-fund of M&G Investment Funds (11)

Annual Short Report April 2019
For the year ended 30 April 2019

M&G INVESTMENTS

Fund information

The Authorised Corporate Director (ACD) of M&G Investment Funds (11) presents its Annual Short Report for M&G Episode Income Fund which contains a review of the fund's investment activities and investment performance during the period. The ACD's Annual Long Report and audited Financial Statements for M&G Investment Funds (11), incorporating all the sub-funds and a Glossary of terms is available free of charge either from our website at www.mandg.co.uk/reports or by calling M&G Customer Relations on 0800 390 390.

ACD

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(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of the Tax Incentivised Savings Association.)

Important information

On 8 April 2019, the Sterling Class 'PP' (Accumulation) shares were launched on both sub-funds of M&G Investment Funds (11).

On 28 September 2018, the Depositary changed from National Westminster Bank Plc to NatWest Trustee & Depositary Services Limited.

Investment objective

The fund aims to generate a growing level of income over any three-year period. The fund also aims to provide capital growth of 2-4% per annum over any three-year period.

There is no guarantee that the fund will achieve its objective over this, or any other, period. The income distributions and the value of your investment may rise and fall and investors may not recoup the original amount they invested.

Investment policy

The fund manager adopts a flexible approach to the allocation of capital between asset classes in response to changes in economic conditions and the valuation of assets. Central to this approach is the identification of episodes, which are periods of time during which, in the fund manager's view, asset prices become over- or under-stated, relative to objective valuation measures, due to the emotional reaction of investors to events. These episodes can exist over both the short and medium term. The fund invests in transferable securities, fixed income assets (including, but not limited to, corporate bonds and government and public securities), warrants, cash, and near cash. Exposure to these assets, and to property, may be gained via collective investment schemes and derivatives (including equity index futures, currency forwards, interest rate swaps, and other liquid derivatives). The manager may seek to minimise currency risk through the combination of diversification and hedging. Derivatives may also be used for efficient portfolio management purposes. More than 70% of the fund will be in sterling or hedged back to sterling.

Investment approach

The fund manager seeks to achieve the fund's objectives whilst managing risk by investing globally across multiple asset classes, sectors, currencies and countries. Where the fund manager believes opportunities are limited to a few areas, the portfolio may be very concentrated in certain assets or markets. The fund manager will typically take investment positions in individual shares or bonds, but may also take positions at an index or sector level via derivatives.

The fund manager looks to generate a growing level of income by investing in assets that offer a regular income such as dividend-paying equities, corporate bonds and government bonds. The fund will typically invest 20-50% of its assets in equities, 40-80% in bonds and up to 20% in other assets, which can include convertibles.

Fund information

Risk profile

The fund invests globally in a broad range of assets, including company shares (equities), fixed income securities (bonds), currencies and other assets such as property shares and convertible bonds. The fund is, therefore, subject to the price volatility of global financial and currency markets.

The fund adopts a flexible approach to the allocation of capital between asset classes in response to changes in economic conditions and the valuation of assets, and the manager will seek to maximise portfolio diversity wherever possible. The fund has a bias towards income-producing assets. Income distributions from the fund's holdings, however, are not guaranteed and may vary.

The blend of assets held in the fund is regularly adjusted depending on where the manager sees the most value and to manage risks, including liquidity, credit, currency and market risks. The fund's risks are measured and managed as an integral part of the investment process.

Please note that the risk management policies are set out in full in the financial statements and notes sections of the Annual Long Report and audited Financial Statements of M&G Investment Funds (11).

The following table shows the risk number associated with the fund and is based on Sterling Class 'A' shares.

Low risk ← → High risk

Typically lower rewards — Typically higher rewards

1	2	3	**4**	5	6	7

The above number:

- is based on the rate at which the value of the fund has moved up and down in the past and is based on historical data so may not be a reliable indicator of the future risk profile of the fund.
- is not guaranteed and may change over time and the lowest risk number does not mean risk free.
- has not changed during this period.

Investment review

As at 1 May 2019, for the year ended 30 April 2019

Distribution summary

The fund distributed 12 monthly payments totalling 4.32p per Sterling Class 'A' (Income) share over the 12 months under review. This represents a decrease of 9.05% from the 4.75p distributed during the same period a year earlier. As at the end of the reporting period, the payout represented a yield (distributed income as a percentage of the share price at the end of the period) of 3.5%. This was lower than the 3.6% level of a year earlier.

In respect of the Sterling Class 'I' (Income) shares, the fund distributed 12 monthly payments totalling 41.06p per Sterling Class 'I' (Income) share over the 12 months under review. This represents a decrease of 8.45% from the 44.85p distributed during the same period a year earlier. As at the end of the reporting period, the payout represented a yield (distributed income as a percentage of the share price at the end of the period) of 3.4%. This was lower than the 3.5% level of a year earlier.

The fund's distribution and distribution yield are shown in the 'Specific share class performance' tables in the Annual Long Report and audited Financial Statements for M&G Investment Funds (11). This fund provides a variable level of income.

Performance against objective

Between 1 May 2018 (the start of the review period) and 1 May 2019, the M&G Episode Income Fund produced a modestly negative total return (the combination of income and growth of capital) across all of its share classes. The fund's performance was behind that of the average fund in its peer group, the IA Mixed Investment 20-60% Shares Sector, which returned 4.0% over the same period.

The fund has not achieved its aim of generating a growing level of income over the three-year period to 1 May 2019, although it has achieved its objective of delivering capital growth between 2-4%. The capital growth for the Sterling Class 'A' (Income) shares over the three-year period to 1 May 2019 was 2.6% per annum, while for the Class 'I' shares, it was 3.4% per annum.*

* For the performance of each share class, please refer to the 'Long-term performance by share class' table in the 'Fund performance' section of the Annual Long Report and audited Financial Statements for M&G Investment Funds (11).

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period for Sterling Class 'A' (Accumulation) shares and Sterling Class 'I' (Accumulation) shares. Calculated on a price to price basis with income reinvested.

Long-term performance

	One year 01.05.18 % [a]	Three years 03.05.16 % p.a.	Five years 01.05.14 % p.a.	Since launch % p.a.
Sterling [b]				
Class 'A'	-1.3	+6.5	+5.4	+6.4 [c]
Class 'I'	-0.7	+7.2	+6.0	+6.9 [d]

[a] Absolute basis.

[b] Price to price with income reinvested.

[c] 11 November 2010, the launch date of the fund.

[d] 3 August 2012, the launch date of the share class.

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

Investment performance

During the period under review, global stockmarkets experienced some significant price swings as investors reacted to changes in the outlook for the global economy and international trade, as well as the likely direction of changes in interest rates. The first five months of the period were relatively stable in comparison with later months, with company shares (equities, which offer investors ownership stakes in companies) taking their cues from changes in the fundamental investment background. They rose when economic data or corporate earnings came in better than feared and fell when concern arose about the escalation of trade disputes, particularly between the US and China, or when economic data disappointed. However, these moves were overshadowed in the final quarter of 2018, when investors began to believe that successive increases in US interest rates and a decline in global commerce would result in economic recession. Stockmarkets slumped and falls in riskier assets were, initially, reflected in government bond markets, although they recovered later. (Bonds are loans that are extended by an investor to an issuer – such as a company or government – in exchange for regular interest payments. Bonds issued by companies are referred to as 'corporate bonds', while those issued by governments are called 'government bonds'.)

As we entered 2019, investor sentiment reversed completely, encouraged by a shift in the tone of the US Federal Reserve (Fed), which signalled that US interest rates were unlikely to rise this year. The European Central Bank adopted a similar attitude. Helped by this and by optimism about trade talks between the US and China, equities enjoyed a robust rally for the first four months of the year, with many markets recouping all the losses suffered in late 2018. Over the 12 months as a whole, most equity markets finished moderately higher, although US markets rose significantly, while Japanese shares lagged. Most government bonds also rose in price, with corporate bonds performing better.

Throughout the period, we maintained a belief that equities were more attractively valued than most mainstream government bonds and a conviction that the global economy was not about to fall into recession. Therefore, the fund was positioned to be broadly pro-growth and pro-risk. While this stance was successful when investors' appetite for risk was high, as in July 2018 and January and April 2019, it was much more challenging when pessimism and risk aversion came to the fore in the last quarter of 2018.

The fund had a bias towards equities for the whole of the review period, since we are convinced company shares are more attractively valued than bonds. Also, when selected carefully, shares can pay healthy levels of dividend – an important consideration given the fund's income objective. We have significant exposure to bank shares in Europe, the US and Japan, as well as general Japanese shares, as we believe these sectors of the stockmarket are most attractively valued and likely to benefit from growing company earnings. They are also the most likely areas to react positively to potential positive surprises about economic activity.

Disappointingly, our holdings of bank shares in Europe and Japan were hit hard in late 2018, when investors became worried about global trade and a decline in economic activity and, despite recovery in 2019, the losses could not be recouped. Over the period as a whole, these assets were the biggest detractors to fund performance. Their weakness was offset by positive returns from our holdings of shares in technology and financial companies in the US, but the contribution from equities was modestly negative overall. The strength of the US dollar relative to sterling boosted the returns of US assets to sterling-based investors, although our hedging activities reduced this effect as it meant we missed out on some of the strength of the dollar. (Hedging is the act of entering into a financial contract in order to protect against changes in exchange rates.)

We try to offset the risk of holding large amounts of bank equities by also owning meaningful quantities of US government bonds, which should behave differently if shares or our investments in emerging market government bonds suffer weakness. They also provide reasonably attractive levels of return, or yield. US government bonds, or Treasuries, generated the largest positive contribution to performance, rising in price both when investors shunned assets perceived as risky and when it became clear that US interest rates were not likely to be lifted. Among our other government bond positions, bonds from Mexico and Brazil rose in price but others, from South Africa and Colombia, declined. Government bonds from Spain and Italy appreciated in local terms, but the weakness of the euro relative to sterling diminished the gains. Our holdings of corporate bonds from US companies also added decent value.

Investment activities

We used the occurrence of some large price swings through the review period to carefully assess whether there had been any change in the economic background that would justify the sharp movements in price or whether they were simply driven by shifts in investors' sentiment. On certain occasions, we adjusted the fund's positioning in response to changes in asset prices that we thought would eventually be 'corrected'.

For example, following the equity market sell-off in October 2018, we took advantage of price declines to add to our positions in Japanese equities and European bank shares. For similar reasons, we had increased exposure to European financials in May 2018, replacing positions in US bank shares and UK equities where we had taken profits following good performance. The only other adjustment to our equity weightings was the investment of some of the cash we had been holding in a diverse range of global equities in March 2019. In aggregate, our allocation to equities reduced marginally during the review period, but remained close to the top of the desired range.

There was a greater adjustment to our fixed income allocation in the 12 months under review, with the holding of US Treasuries increasing as we felt the higher yields on offer increased their potential diversification properties and hence their value in the event of weakness in our equity holdings. (Bond yield is a measure of distributed income in relation to bond price.) We purchased bonds with 10 and 30 years to maturity. The largest increase, however, was in the position in Italian government bonds, which experienced some volatility due to concern that Italy might break European Union budget rules. We added to our holding in May 2018 and April 2019, when the yields available increased, but conversely, scaled back the weighting in December 2018 when the price of the bonds rose. In our view, investors sometimes overlook the fact that these bonds are backed by the Italian government, a full member of the European Union, and the yields on offer move up to unjustifiable levels, particularly when compared to the yields on German government bonds. The increase in our fixed income allocation was funded by a reduction in the cash position.

Outlook

Although we acknowledge that the global economic outlook has become cloudy and some economic data deteriorated markedly during the review period, we retain the opinion that global recession is unlikely. Indeed, the most recent data, especially in China and the US, surprised investors by being better than feared. We think the most important factor for investors to consider is the change in the policy of the Federal Reserve. In late 2018, when it looked as though there would be at least two more interest rate increases in the US this year, asset prices slumped. However, now that the Fed and the European Central Bank seem to have confirmed no more increases for the foreseeable future, asset prices should be supported.

Since we do not think that the fundamental economic background has worsened materially, we maintain the fund's bias towards equities, which in general appear better value than most mainstream government bonds. We believe the asset class should benefit from continued economic growth and improved corporate earnings.

The fund's equity positions are primarily focused on European financial groups and Japanese companies, as well as US banks and technology businesses. We are particularly keen on banks, as many are supported by strong fundamentals (high earnings yields and growing profits). In Europe, the banking sector is especially attractive, as share prices have been adversely affected by political developments in Italy and Turkey.

Japanese banks should benefit from corporate reforms, which are politically-driven and also apply to the broader market. They have led to improved shareholder returns (dividends and share buybacks) and increased engagement between companies and shareholders.

We think US banks remain attractive, looking cheap relative to the broader market, and liable to benefit from further improvement in the economy.

The potential risk of our equity holdings should be offset by sizeable holdings of longer dated US Treasuries. The price of these bonds would be expected to increase if weaker US economic growth is evident. They also offer a relatively attractive yield. The fund holds higher yielding government bonds from Italy and several emerging markets as well.

We remain cautious on most other mainstream government bonds, since we believe these assets look increasingly overvalued and vulnerable to price falls in the event of better economic data. Consequently, the fund holds no government bonds from Japan, the UK or Germany.

Although 2019 has proved positive for global stockmarkets and for the fund so far, we saw in late 2018 how quickly things can change. There are all manner of events that could cause investor sentiment to deteriorate, from a further escalation in trade conflict, to unexpectedly poor economic data, or even good economic numbers if they lead to a tightening of central bank policy, as well as unforeseen geopolitical developments. Therefore, it is important to keep a close eye on the fundamental economic and earnings data to gauge whether price movements are justified, or whether they might reverse. Investors still seem concerned about the possibility of recession, a scenario that we do not believe fits the facts. In our view, there is still scope for potential positive surprises, although we acknowledge that we must also beware of our own potential complacency.

We see price volatility as a positive factor, since changes in asset prices and valuations should present investment opportunities that we can exploit using our valuation-driven approach. To generate the best returns for our investors, we will continue to invest in those areas of the market that we believe combine strong growth characteristics with attractive valuations, while diversifying the fund across asset classes, sectors and geographies.

Steven Andrew
Fund manager

An employee of M&G Limited which is an associate of M&G Securities Limited.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the fund or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a Financial Adviser.

Classification spread of investments

The table below shows the percentage holding per sector.

as at 30 April	% of fund 2019	2018
EQUITIES		
United Kingdom		
UK equities	3.04	6.00
Europe		
European equities	15.03	12.93
North America		
North American equities	12.67	15.86
Japan		
Japan equities	13.19	10.21
Asia Pacific (ex Japan)		
Asia Pacific equities	3.10	3.23
Other		
Other equities	0.29	0.26
FIXED INCOME		
United Kingdom		
UK Government bonds	4.44	4.80
UK investment grade corporate bonds	0.08	0.19
UK below investment grade corporate bonds	0.36	0.40
UK corporate bonds with no credit rating	0.53	0.60
UK Interest rate swaps	0.00	0.01
Europe		
Europe Government bonds	10.92	6.67
Europe investment grade corporate bonds	0.05	0.06
Europe below investment grade corporate bonds	0.29	0.69
North America		
North America Government bonds	20.87	18.74
North America investment grade corporate bonds	0.23	0.25
North America below investment grade corporate bonds	0.00	0.10
North America corporate bonds with no credit rating	0.18	0.14
Asia Pacific (ex Japan)		
Asia Pacific (ex Japan) Government bonds	0.08	0.08
Other		
Other Government bonds	7.24	7.51
Other corporate bonds with no credit rating	2.93	2.99
PROPERTY		
United Kingdom	3.26	2.92
CURRENCY		
Forward currency contracts	(0.19)	(0.72)
CASH EQUIVALENTS		
'AAA' rated money market funds [a]	2.49	3.05

[a] Uncommitted surplus cash is placed into 'AAA' rated money market funds with the aim of reducing counterparty risk.

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

The following charts and tables show the performance for two of the fund's share classes – Sterling Class 'A' (Accumulation) shares and Sterling Class 'I' (Accumulation) shares.

We show performance for these two share classes because:

- The performance of the Sterling Class 'A' (Accumulation) share is what most individuals investing directly with M&G have received. It has the highest ongoing charge of all the share classes. Performance is shown after deduction of this charge. All investors in the fund therefore received this performance or better.
- The performance of the Sterling Class 'I' (Accumulation) share is the most appropriate to compare with the average performance of the fund's comparative sector. It is the share class used by the Investment Association in the calculation of the comparative sector's average performance. This share class is available for direct investment with M&G subject to minimum investment criteria, or via third parties who may charge additional fees. The performance shown takes the deduction of the ongoing charge for this share class into account but it does not take account of charges applied by any other party through which you may have invested.

The fund is available for investment in different share classes, each with varying levels of charges and minimum investments; please refer to the Prospectus for M&G Investment Funds (11), which is available free of charge either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations. For the specific performance tables of all share classes, please refer to the Annual Long Report and audited Financial Statements for M&G Investment Funds (11), which is available free of charge either from our website at www.mandg.co.uk/reports or by calling M&G Customer Relations.

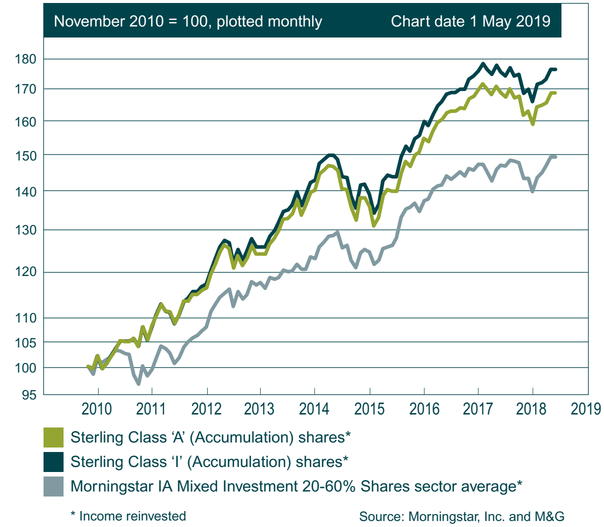
Fund level performance

Fund net asset value

as at 30 April	2019 £'000	2018 £'000	2017 £'000
Fund net asset value (NAV)	902,407	829,425	673,541

Performance since launch

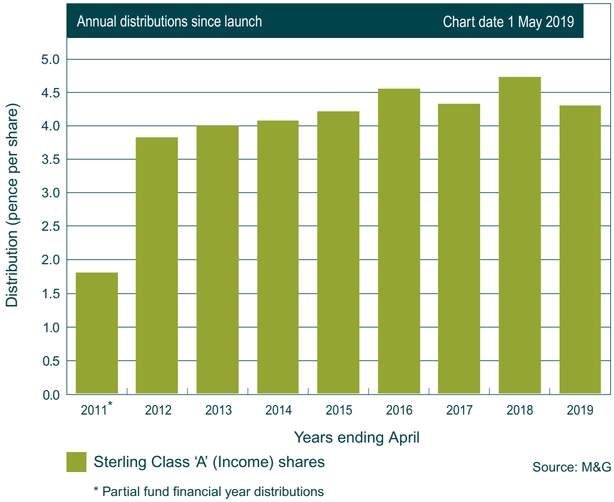
To give an indication of how the fund has performed since launch, the chart below shows total return of Sterling Class 'A' (Accumulation) shares and Sterling Class 'I' (Accumulation) shares.

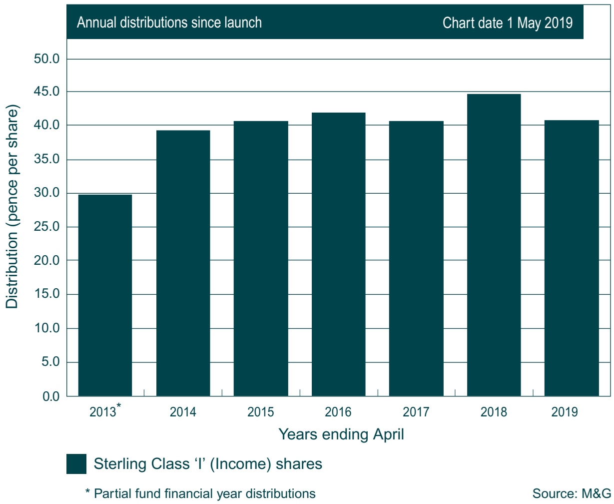


The fund's Sterling Class 'I' (Accumulation) shares were launched on 3 August 2012. Performance data shown prior to this date is that of the fund's Sterling Class 'A' (Accumulation) shares.

Distribution since launch

The charts below show the annual distribution of Sterling Class 'A' (Income) shares and Sterling Class 'I' (Income) shares since launch.





To give an indication of how the fund has performed during the period the tables below show the performance of Sterling Class 'A' (Accumulation) shares and Sterling Class 'I' (Accumulation) shares.

All 'Performance and charges' percentages represent an annual rate except for the 'Return after operating charges' which is calculated as a percentage of the opening net asset value per share (NAV). 'Dilution adjustments' are only in respect of direct portfolio transaction costs.

Historic yields for the current year are calculated as at 10 May 2019.

Sterling Class 'A' Accumulation share performance

The share class was launched on 11 November 2010.

for the year to 30 April Change in NAV per share	2019 UK p	2018 UK p	2017 UK p
Opening NAV	170.75	159.88	139.51
Return before operating charges and after direct portfolio transaction costs	0.15	13.47	22.59
Operating charges	(2.57)	(2.60)	(2.22)
Return after operating charges	(2.42)	10.87	20.37
Distributions	(3.30)	(3.62)	(3.90)
Retained distributions	3.30	3.62	3.90
Closing NAV	168.33	170.75	159.88
Direct portfolio transaction costs	**UK p**	**UK p**	**UK p**
Costs before dilution adjustments	0.03	0.10	0.11
Dilution adjustments [a]	(0.01)	(0.01)	(0.03)
Total direct portfolio transaction costs	0.02	0.09	0.08
Performance and charges	**%**	**%**	**%**
Direct portfolio transaction costs [b]	0.01	0.05	0.05
Operating charges	1.55	1.56	1.49
Return after operating charges	-1.42	+6.80	+14.60
Historic yield	1.98	2.10	2.02
Effect on yield of charges offset against capital	0.03	0.03	0.03
Other information			
Closing NAV (£'000)	21,630	20,523	22,467
Closing NAV percentage of total fund NAV (%)	2.40	2.47	3.34
Number of shares	12,849,766	12,019,359	14,052,214
Highest share price (UK p)	172.39	173.21	161.19
Lowest share price (UK p)	158.03	160.57	136.31

Sterling Class 'I' Accumulation share performance

The share class was launched on 3 August 2012.

for the year to 30 April Change in NAV per share	2019 UK p	2018 UK p	2017 UK p
Opening NAV	1,572.39	1,463.43	1,269.26
Return before operating charges and after direct portfolio transaction costs	(0.62)	121.32	204.32
Operating charges	(12.25)	(12.36)	(10.15)
Return after operating charges	(12.87)	108.96	194.17
Distributions	(39.71)	(42.47)	(40.52)
Retained distributions	39.71	42.47	40.52
Closing NAV	1,559.52	1,572.39	1,463.43
Direct portfolio transaction costs	**UK p**	**UK p**	**UK p**
Costs before dilution adjustments	0.28	0.93	0.99
Dilution adjustments [a]	(0.09)	(0.13)	(0.25)
Total direct portfolio transaction costs	0.19	0.80	0.74
Performance and charges	**%**	**%**	**%**
Direct portfolio transaction costs [b]	0.01	0.05	0.05
Operating charges	0.80	0.81	0.74
Return after operating charges	-0.82	+7.45	+15.30
Historic yield	2.57	2.67	2.56
Effect on yield of charges offset against capital	0.03	0.03	0.03
Other information			
Closing NAV (£'000)	414,132	370,068	284,368
Closing NAV percentage of total fund NAV (%)	45.89	44.62	42.22
Number of shares	26,555,145	23,535,447	19,431,610
Highest share price (UK p)	1,587.89	1,592.74	1,475.27
Lowest share price (UK p)	1,460.93	1,470.23	1,240.75

[a] In respect of direct portfolio transaction costs.

[b] As a percentage of average net asset value.

We explain below the payments made to meet the ongoing costs of investing and managing the fund, comprising operating charges and portfolio transaction costs.

Operating charges

Operating charges include payments made to M&G and to providers independent of M&G:

- **Investment management:** Charge paid to M&G for investment management of the fund (also known as Annual Management Charge).
- **Administration:** Charge paid to M&G for administration services in addition to investment management – any surplus from this charge will be retained by M&G.
- **Oversight and other independent services:** Charges paid to providers independent of M&G for services which include depositary, custody and audit.
- **Ongoing charges from underlying funds:** Ongoing charges on holdings in underlying funds that are not rebated.

Operating charges do not include portfolio transaction costs or any entry and exit charges (also known as initial and redemption charges). The charging structures of share classes may differ, and therefore the operating charges may differ.

Operating charges are the same as the ongoing charges shown in the Key Investor Information Document, other than where an estimate has been used for the ongoing charge because a material change has made the operating charges unreliable as an estimate of future charges.

For this fund there is no difference between operating charges and ongoing charges figures, unless disclosed under the specific share class performance table.

Portfolio transaction costs

Portfolio transaction costs are incurred by funds when buying and selling investments. These costs vary depending on the types of investment, their market capitalisation, country of exchange and method of execution. They are made up of direct and indirect portfolio transaction costs:

- **Direct portfolio transaction costs:** Broker execution commission and taxes.
- **Indirect portfolio transaction costs:** 'Dealing spread' – the difference between the buying and selling prices of the fund's investments; some types of investment, such as fixed interest securities, have no direct transaction costs and only the dealing spread is paid.

Investments are bought or sold by a fund when changes are made to the investment portfolio and in response to net flows of money into or out of the fund from investors buying and selling shares in the fund.

To protect existing investors, portfolio transaction costs incurred as a result of investors buying and selling shares in the fund are recovered from those investors through a 'dilution adjustment' to the price they pay or receive. The table below shows direct portfolio transaction costs paid by the fund before and after that part of the dilution adjustment relating to direct portfolio transaction costs. To give an indication of the indirect portfolio dealing costs the table also shows the average portfolio dealing spread.

Further information on this process is in the Prospectus, which is available free of charge on request either from our website at www.mandg.co.uk/prospectuses or by calling M&G Customer Relations.

Portfolio transaction costs

for the year to 30 April Direct portfolio transaction costs [b]	2019 %	2018 %	2017 %	Average [a] %
Broker commission	0.01	0.03	0.04	0.02
Taxes	0.01	0.03	0.03	0.02
Costs before dilution adjustments	0.02	0.06	0.07	0.04
Dilution adjustments [c]	(0.01)	(0.01)	(0.02)	(0.01)
Total direct portfolio transaction costs	0.01	0.05	0.05	0.03
as at 30 April Indirect portfolio transaction costs	**2019 %**	**2018 %**	**2017 %**	**Average [a] %**
Average portfolio dealing spread	0.32	0.29	0.38	0.33

[a] Average of first three columns.

[b] As a percentage of average net asset value.

[c] In respect of direct portfolio transaction costs. Please see the section above this table for an explanation of dilution adjustments.

Contact

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