

Portfolio turnover, with its related commissions, market impact, and other trading costs, can have a substantial impact on the performance of investment portfolios. The table below provides estimates, for assumed levels of turnover and transaction costs, for the annual impact of trading costs. Investors should also consider the impact of taxes on realized capital gains distributed by their investments.

Impacts of Turnover and Costs on Performance Estimated Reduction in Annual Performance

| Annual Turnover | Transaction Costs (%) | | | | | | | |
|----------------------------|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 0.10% | 0.25% | 0.75% | 1.00% | 1.25% | 1.50% | 1.75% | 2.00% |
| 20% | 0.04% | 0.10% | 0.30% | 0.40% | 0.50% | 0.60% | 0.70% | 0.80% |
| 40% | 0.08% | 0.20% | 0.60% | 0.80% | 1.00% | 1.20% | 1.40% | 1.60% |
| 60% | 0.12% | 0.30% | 0.90% | 1.20% | 1.50% | 1.80% | 2.10% | 2.40% |
| 80% | 0.16% | 0.40% | 1.20% | 1.60% | 2.00% | 2.40% | 2.80% | 3.20% |
| 100% | 0.20% | 0.50% | 1.50% | 2.00% | 2.50% | 3.00% | 3.50% | 4.00% |