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High Expenses Involved in Mutual Fund Investing

Every mutual fund has expenses and can have a negative effect on your returns.

What are 12B-1 fees?

This expense goes toward paying brokerage commissions and toward advertising and promoting the fund. That's right, if you invest in a mutual fund with a 12B-1 fee, you are paying for the fund to run commercials and sell itself!



What is Wrong with the 12b-1 Fee?

Answer: 12b-1 fees have been used as a hidden way to pay brokers for using the fund.

- Mutual funds may charge a maximum sales load of 6.25%!

[Example: 6.25% of \$100,000 in a mutual fund is \$6,250] Average fees are 1.5 to 2%.

Fees: The Difference Between MSO (TWA/FDB) vs. Mutual Funds

- TWA has no advertising costs (*beats the competition and advertising is not required*)
Vs. *Mutual Funds that spend billions advertising their product to attract investors.



**MUTUAL FUNDS
CHARGE UP TO
6.25%**

*An analysis conducted for InvestmentNews found that stock and bond funds generated a staggering \$9.5 billion in revenue from so-called 12(b)-i fees last year.

Source:

