

Five Important Points on Mutual Fund Fees and Expenses

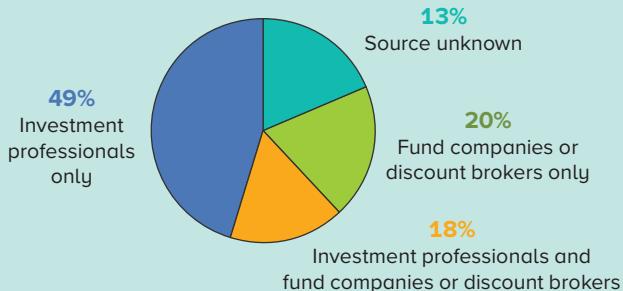
Fund expenses cover portfolio management, fund administration and compliance, shareholder services, recordkeeping, certain kinds of distribution charges (known as 12b-1 fees), and other operating costs. A fund's expense ratio, which is shown in the fund's prospectus and shareholder reports, is the fund's total annual expenses expressed as a percentage of its net assets.

Explore these five key facts about fees and expense ratios.

1

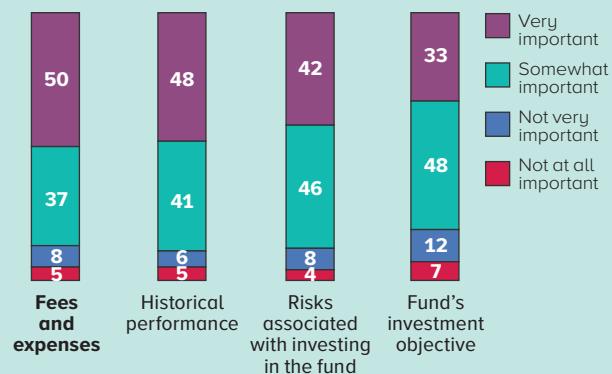
US households consistently consider fund fees and expenses when making investment decisions

Of US households that own mutual funds outside of employer-sponsored retirement plans,
67 percent rely on investment professionals...



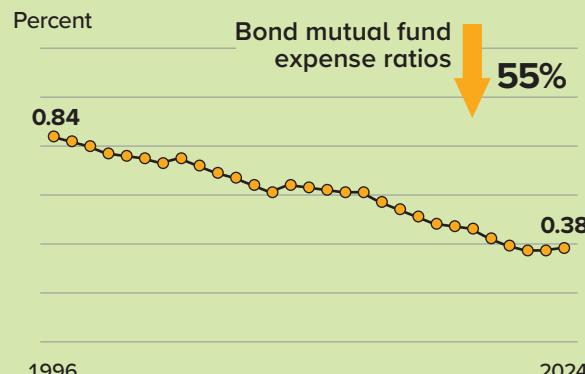
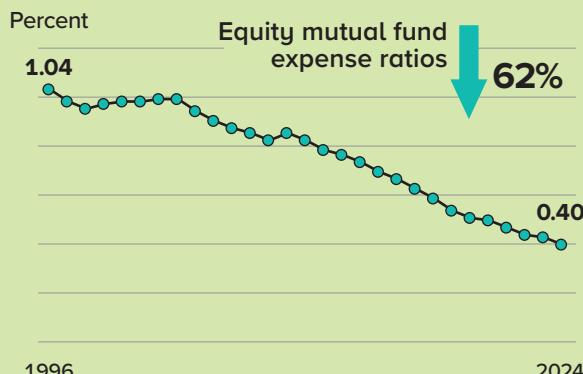
...who are subject to strict **standards of conduct** and must act in the **best interest of investors**.

US households consider a wide range of factors before making their purchasing decisions, **including fees and expenses.**



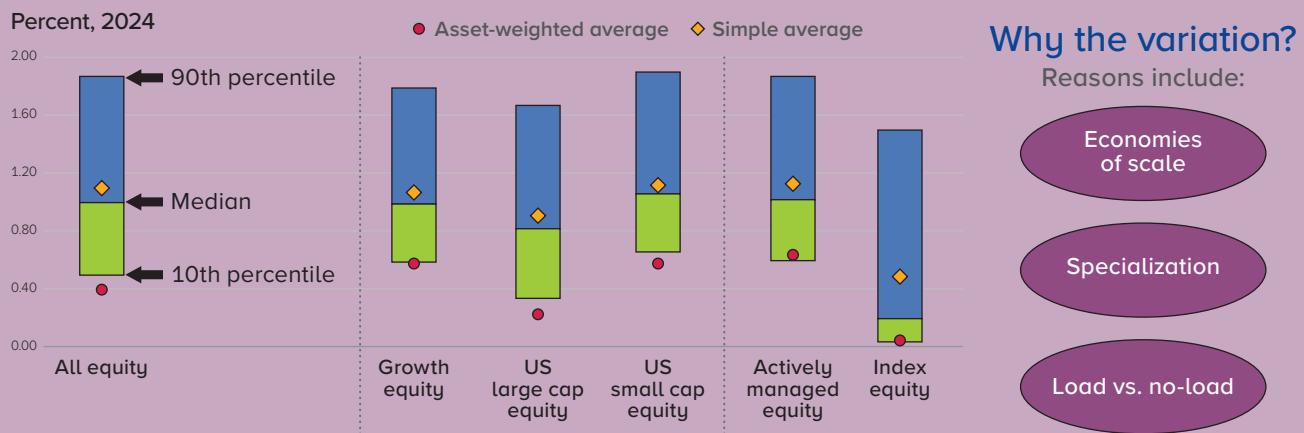
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Fund expense ratios have declined substantially over the past 28 years



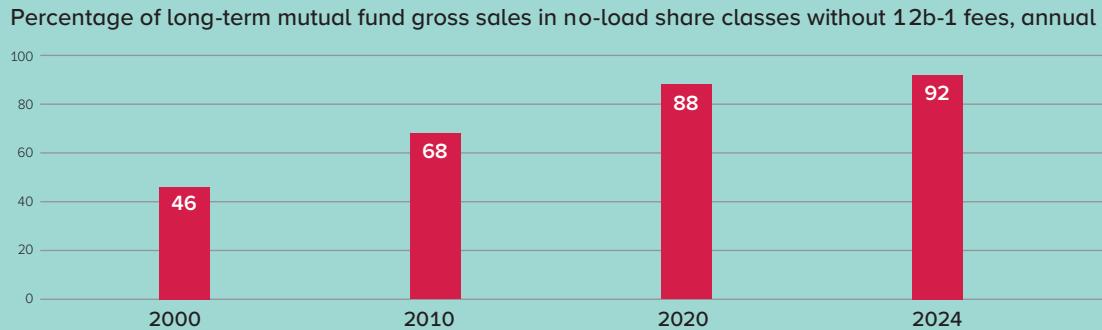
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Mutual fund expense ratios can vary widely for multiple reasons



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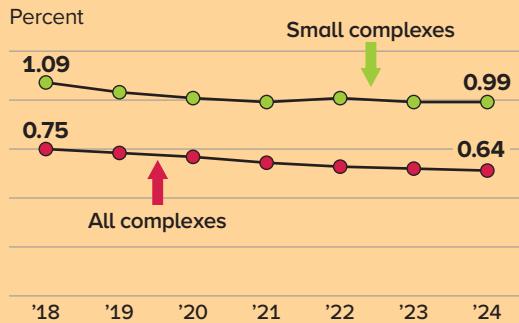
Fund investors overwhelmingly purchase no-load mutual funds



5

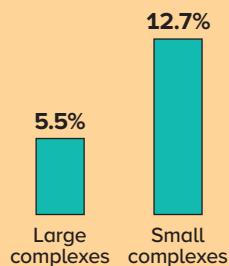
Investors value diversity and choice among asset managers

Average expense ratios at small complexes are **falling** alongside the industry average, but tend to be higher because...



...small complexes offer more niche products...

Percentage of equity fund assets in US small cap equity, 2024



...with smaller economies of scale.

Average fund size in millions, year-end 2024



Note: Data only include actively managed equity mutual funds.



The Asset Management Industry
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For more information on mutual fund fees and expenses, see our latest report, "[Trends in the Expenses and Fees of Funds, 2024](#)."

Sources: Investment Company Institute, Lipper, and Morningstar