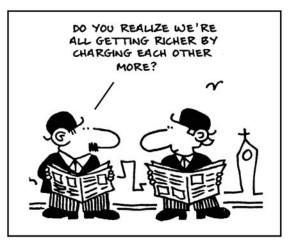
## **Expenses on the Rise**

- The expenses a mutual fund charges its shareholders have a material impact on the investment returns received. All else being equal, COMPASS Wealth Management selects mutual funds that charge below-average expenses.
- For clients with larger balances, we select the institutional share class of mutual funds, which generally charge 0.25% - 0.40% less in annual expenses, saving our clients money and enhancing their returns.

When choosing an investment, most investors look for attractive performance. What they often fail to investigate, however, is how much this performance is going to cost them in the long run. For example, for mutual funds, the expense ratio is the percentage of fund assets paid for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund. This cost is passed over to you, the investor.

Expense ratios vary widely among funds, and they have generally been increasing over time. Advocates of funds with higher fees argue that they are justifiable by the fund managers' expertise that results in higher returns. However, this may not always be the case. Careful research is needed for each fund in order to determine the exact impact of fees on returns.



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