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## Investor Publications

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# Calculating Mutual Fund Fees and Expenses

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Fees and expenses are an important consideration in [selecting a mutual fund](#) because these charges lower your returns. Many investors find it helpful to compare the fees and expenses of different mutual funds before they invest.

You can compare the fees and expenses of up to three mutual funds, or the share classes of the same mutual fund on the FINRA's [Mutual Fund Expense Analyzer](#). You can also compare the fees and expenses of up to three [ETFs](#) using the same tool.

With just some basic information, you can use the tool to compare the costs of different mutual funds in a manner of seconds. That's because the tool automatically provides fee and expense information for you. Simply enter each fund's ticker symbol or select the fund through the drop down menu. If you can't remember the full name of the fund, you can also search for the fund using key words.

A mutual fund's fees and expenses may be more important than you realize. Advertisements, rankings, and ratings often emphasize how well a fund has [performed in the past](#). But studies show that the future is often different. This year's "number one" fund can easily become next year's below average fund. On the other hand, independent studies show fees and expenses can be a reliable predictor of mutual fund performance.

Of course, selecting a mutual fund involves more than just picking one with low fees and expenses. Before you invest in any mutual fund, decide whether the investment goals and risks of the fund are a good fit for you and determine how it will affect the [diversification](#) of your entire portfolio. You can read about a fund's goals, risks, and costs in its [prospectus](#).

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