# WHAT EXPERTS SAY ABOUT “FEES”

- **James Dahle, author of *The White Coat Investor:*** *“Costs matter and they matter a lot: If two investors make the same 8% per year before expenses on a lump sum investment and the first is paying 2% per year in investment expenses and the second is paying 0.1% per year, then after thirty years the second investor will have 70% more money than the first.”*

- **Bear and Gensler, co-authors of *The Great Mutual Fund Trap:*** *“Many of the costs of investing are practically invisible—you never have to write a check to anyone for fees or commissions.”*

- **Jack Bogle:** *“You get to keep exactly what you pay for.”*

- ***Bogleheads’ Guide to Investing:*** *“ We are accustomed to believing that the more we pay for something, the more we receive. Sorry; this is not how it works when buying mutual funds. Every dollar we pay in commissions, fees, expenses, and so on ...is one dollar less that we receive from our investment.”*

- **John Brennan, former Vanguard CEO an author of *Straight Talk on Investing:*** *“You should care about expenses because they directly reduce the return you receive. It’s that simple.”*

- **Eugene Fama, Jr., Vice President of Dimensional Fund Advisors:** *“One must conclude that in general a manager’s fee, and not his skill, plays the biggest role in performance. The higher the fee the lower the performance.”*

- **Rick Ferri, adviser and author of six financial books:** *“Let’s face it: Most investment companies are in the business to make money from you, not for you. Every dollar you save in commissions and fee expenses goes right to your bottom line.”*

- **Financial Research Corporation did a study to find out which mutual fund predictor really worked:** Morningstar Ratings; past performance; expenses; turnover; manager tenure; net sales; asset size; alpha; beta; standard deviation and the Sharpe Ratio. They concluded: “The expense ratio is the only reliable predictor of future mutual fund performance.”

- **Morgan Housal, *Motley Fool* writer:** *“It’s hard to believe that with historic average market returns, a 1% management fee will reduce your account balance by almost 40% over 50 years.”*

- **Arthur Levitt, former Chairman of the U.S. Securities and Exchange Commission:** *“The deadliest sin of all is the high cost of owning some mutual funds. What might seem to be low fees, expressed in tenths of 1%, can easily cost an investor tens of thousands of dollars over a lifetime.”*

- **Lipper Inc.:** *“In 2012 the average expense ratio for Vanguard funds was .019%, which is one-sixth the average funds’ expense ratio of 1.11%*

- **Professor Burton Malkiel, author of *A Random Walk Down Wall Street:*** *“Many financial services companies make every effort to obscure the total cost you are actually paying. Every extra dollar of expense you pay is skimmed from your investment capital.”*

- **Morningstar:** *“If there’s anything in the whole world of mutual funds that you can take to the bank, it’s that expense ratios help you make better decision. In every single time period and data point tested, low-cost funds beat high-cost finds.”*

- **Morningstar:** *“The other major costs of investing are related to taxes, advice, and investor behavior. These costs are more difficult to control than fund fees and, when added together, can be many multiples what an investor pays out in the form of annual expense ratios.”*

***“Learn every day, but especially from the experiences of others. It’s cheaper!” -John C Bogle***