

NEWS RELEASE

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ICI Applauds SEC Effort to Help Investors Calculate Mutual Fund Costs, April 1999

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Washington, DC, April 6, 1999 - The new interactive, web-based mutual fund [fee calculator](#) announced today by the Securities and Exchange Commission (SEC) is a useful tool to help investors easily compare the fees and expenses of different mutual funds, the Investment Company Institute said today.

"The SEC's mutual fund fee calculator is a valuable new resource to help investors understand how fees and expenses affect their investments and returns," Institute President Matthew P. Fink said. "We congratulate the SEC for making this tool readily available for investors to use when comparing mutual fund investment choices."

Fink said users of the calculator enter data and assumptions drawn from the fee table contained in each mutual fund prospectus. "One of the attractive features of the fee calculator is that it gives investors another reason to examine a fund's prospectus, particularly the fee table," Fink said. "These tools complement each other nicely," he said.

"As Chairman Levitt has said, the crucial question is whether investors understand that fees affect their bottom lines," Fink said. "With respect to equity funds, [Institute research](#) shows that 77 percent of shareholder accounts are invested in lower cost funds. This evidence speaks powerfully and indicates that many investors pay attention to the impact of fees on their fund investments. Although we are gratified that so many investors appear to be developing appropriate sensitivity to fees as one element of informed investing, it hardly means our job is complete. The challenge of educating investors—about fees and the other important elements of mutual fund investing—is a continuing responsibility. The SEC's fee calculator is a creative, easy-to-use new tool in this ongoing effort." (For more information on fees, see [Frequently Asked Questions About Mutual Fund Fees](#).)

Fink noted that it is important to understanding that fees tell only part of the story.

"Focusing on long-term goals is fundamental to successful investing," he said. "The mutual fund industry believes that investors should have complete information, including information about fees, in order to understand all elements of investing."

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