

When It Comes To Mutual Fund Fees, Comparison Shopping Pays Off

by Nancy Smith

(NAPSA)—If you're like most people, you shop around for the best price before making an important purchase. As an investor, however, you may pay too little attention to the fees charged by mutual funds—but you can find a way to save. Even a small difference in fees can make a huge impact on long-term investments.

In a recent Internet survey of nearly 1,200 Americans age 50+ conducted by AARP Financial, a for-profit subsidiary of AARP, two out of five fund investors surveyed said they are “unaware” or “not sure” of the fees they pay on their mutual funds.

Because mutual fund fees are deducted from a fund's annual earnings, investors never see a bill for those costs—and often don't realize how much they pay in fees. At the same time, information about fees can be hard to find and understand. As a result, many investors choose funds without fully understanding the costs associated with their investment.

Paying too much for a mutual fund is one of the biggest mistakes investors make. Who wants to



spend \$50,000 or more than they need to for mutual funds over a lifetime of investing? You can pay a lot in fees or a little. It pays to comparison shop.

To address the tremendous impact high fees place on an investor's financial wealth, AARP Financial makes available AARP Funds, a professionally managed, low-cost alternative that charges 0.50 percent annually in fees.

The series of index funds—Conservative, Moderate and Aggressive portfolios—that seek to match the performance of market indexes for U.S. stocks, international stocks and U.S. bonds.

Since index funds do not have to pay the expenses associated with actively managed funds, their costs are historically lower. The service passes these savings on to investors so they can save more for retirement.

Additionally, the Funds' prospectus is straightforward and written in plain English so investors can easily learn about the Funds, including shareholder fees and operating expenses. The prospectus recently won the Mutual Fund Education Alliance 2006 STAR Award for best small company investor prospectus kit.

We believe the most successful investor is the well-informed investor. That's why the prospectus uses a language people can understand: plain English.

To learn more about smart, low-cost investing or to order an award-winning prospectus, call (866) 366-9609 and speak with an investment counselor weekdays from 8 a.m. to 6 p.m. Eastern time. You can also visit www.aarpfinancial.com.

• Ms. Smith is Vice President, Investment Services at AARP Financial.



Note to Editors: An investment in AARP Funds is subject to risk, including the possible loss of principal. An investor should consider the investment objectives, risks, charges and expenses of AARP Funds carefully before investing. Read the prospectus carefully before you invest.

While AARP has licensed the use of its name to AARP Funds and endorses the services provided by AARP Financial, AARP does not offer financial products or services itself, and cannot recommend that you or any specific individual should purchase any particular product or service. AARP Financial is a registered investment adviser and a subsidiary of AARP.

Investment counselors are NASD-registered representatives through ALPS Distributors, Inc., and employed by AARP Financial.

AARP Funds are advised by AARP Financial and distributed by ALPS Distributors, Inc., a registered broker/dealer.