

MUTUAL FUNDS: SUMMARY OF FEES AND COSTS

Sales Charges: Sales charges are commissions that are paid for the purchase of mutual fund shares. When you pay these charges will depend on the share class purchased.

Share Classes: Share classes range from Class A shares with up-front loads to Institutional shares with no loads and very low expense ratios. Following is a general description of the different share classes. Please see the fund's prospectus for more specific information particular to that fund and the fees you will pay.

- **Class A Shares – Front End Loaded –**
 - Purchases will be subject to an initial sales charge that is a percentage of the offering price and may be subject to 12b-1 fees.
 - A 12b-1 fee is an annual marketing or distribution fee on a mutual fund. It is generally between 0.25% and 0.75% (the maximum allowed under FINRA rules) of a fund's net assets.
 - Class A shares generally qualify for reduced sales loads based on certain volume purchases, called breakpoints. Breakpoints may also be available when you agree to purchase a certain dollar amount of fund shares within a specific period of time.
- **Class B Shares – Back-End Loaded –**
 - Purchases will be subject to a declining surrender charge over a period of years as described in the fund prospectus, called a contingent deferred sales charge (CDSC). At the end of the CDSC period these shares usually convert to Class A shares. These CDSCs are not paid to advisors, but to the fund company to cover various costs.
 - Prior to conversion Class B shares may have a higher 12b-1 fee than Class A shares.
 - The long-term cost of owning Class B funds can be more expensive than holding Class A shares.
- **Class C Shares – Level-Loaded –**
 - Purchases may not be subject to an initial sales charge, but on an ongoing basis may have higher 12b-1 fees than Class A shares, and may be assessed a CDSC if redeemed within a specific period of time, usually one year to eighteen months following the purchase.

Exchanges: Exchanges within the same fund family and share class are generally not subject to sales charges but may under some circumstances create a taxable event.

Average Mutual Fund Expense Ratios by Mutual Fund Type: All mutual funds have a fee referred to as an expense ratio or sometimes called a management fee or an operating expense. This fee is deducted from the total assets of the fund before your share price is determined. Below is a comparison of average expense ratios for basic fund types, not accounting for different share classes.

Mutual Fund Category	Average
Large-Cap Stock No-Load	0.865
Mid-Cap Stock No-Load	1.020
Small-Cap Stock No-Load	1.140
Foreign Large-Cap Stock No-Load	0.990
Intermediate-Term Bond No-Load	0.600
Money Mkt Funds	0.180
Target Date Funds	0.510
Equity Index Funds	0.090
Muni Bonds	0.540

Additional Resources

SEC: Fast Answers: Mutual Fund Fees and Expenses: <https://www.sec.gov/fast-answers/answersmffeeshtm.html>

FINRA: Mutual Funds and Fees: What You Should Know: <https://www.finra.org/investors/insights/mutual-funds-and-fees>

FINRA: Understanding Mutual Fund Classes: <https://www.finra.org/investors/alerts/understanding-mutual-fund-classes>

FINRA: Fund Analyzer: https://tools.finra.org/fund_analyzer/