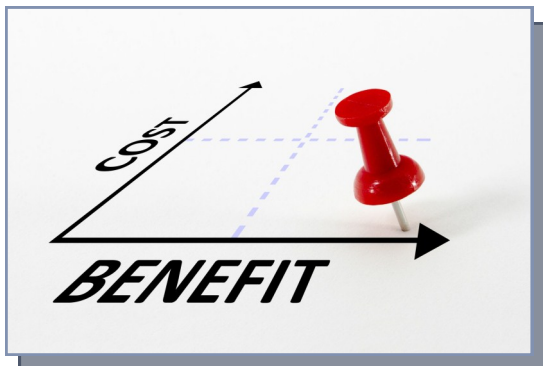




## DISCOVERING THE TOTAL COST OF YOUR INVESTMENT PORTFOLIO

### HOW TO USE EXPENSE RATIOS TO MAKE BETTER INVESTMENT DECISIONS.



Many investors might not be considering expenses at all when making investment decisions. A recent study showed that participants looking at different mutual fund advertisements tended to pay more attention to past performance than expense data.\*

Research has shown that funds with low expenses are the ones that tend to do better over time, leaving you with more money in your pocket. On the following page, we will help you walk through your current investment portfolio and determine the overall cost of your portfolio to see if the cost is delivering the benefit you wish to receive on your investments.

\*Excerpt taken from article published by Morningstar titled "Is your Mutual Fund a Rip Off? How to use expense ratios to make better investment decisions" 10-13-2009

# DISCOVERING THE ACTUAL COST OF YOUR INVESTMENT PORTFOLIO:

## *A CLIENT WORKSHEET*

### 1 Basic Account Information

**A.** Total Account Value: \_\_\_\_\_

**B.** Account Asset Mix:

- Equity \_\_\_\_\_
- Fixed Income \_\_\_\_\_
- Cash \_\_\_\_\_
- Total \_\_\_\_\_

**C.** Weighted Fee by Asset Class:

- Equity Expense (1.45%): \_\_\_\_\_
- Fixed Income Expense (1.06%): \_\_\_\_\_
- Cash Expense (0.33%): \_\_\_\_\_
- Total Weighted Expense: \_\_\_\_\_

**D.** Total Number of Positions: \_\_\_\_\_

**E.** Projected Annual Turnover: \_\_\_\_\_

- A. Please enter the total account value
- B. By asset category, list by percentage your total portfolio breakdown (20% Equity, 75% Fixed Income, 5% Cash).
- C. Multiply corresponding asset class by average expense ratios listed. These Mutual Fund expenses are taken from Morningstar article "Is Your Mutual Fund a Rip Off? How to Use Expense Ratios to Make Better Investment Decisions."
- D. Enter total number of positions in portfolio.
- E. How many times are positions bought or sold in your account? For example if you have 10 positions and 2 new positions are bought/sold than you have 20% portfolio turnover. The more active the portfolio, the higher the turnover percentage

### 2 Transaction Costs

**A.** Average Transaction Fee: \_\_\_\_\_

**B.** Are Transaction Fees Covered in Your Current Account?

Yes \_\_\_\_\_ No \_\_\_\_\_

**C.** Projected Transaction Fees Total: \_\_\_\_\_

**D.** Transaction Fee Percentage: \_\_\_\_\_

- A. Enter your average transaction fees.
- B. Are transaction charges currently covered in your existing accounts, mark yes or no.
- C. If 2.B is no, calculate 2.C by multiplying 1.E by 1.D. Then Multiply that by 2. this number equals the total buys and sells according to your turnover, multiply this number by 2.A for your answer to 2.C
- D. Divide 2.C by 1.A

### 3 Fee Breakdown

**A.** Weighted Expense Ratio: \_\_\_\_\_

**B.** Annual Advisory Fee: \_\_\_\_\_

**C.** Total Projected Expenses: \_\_\_\_\_

- A. Please add 1.C total weighted expense total and 2.D transaction fee percentage for total weighted expense ratio
- B. What do you currently pay for advisory services?
- C. Add 3.A and 3.B to get total projected annual expenses for your current account.