

“Your account is a brokerage account and not an advisory account. Our interests may not always be the same as yours. Please ask us questions to make sure you understand your rights and our obligations to you, including the extent of our obligations to disclose conflicts of interest and to act in your best interests. We are paid both by you and, sometimes, by people who compensate us based on what you buy. Therefore, our profits, and our salespersons’ compensation, may vary by product and over time.”

Types of Mutual Fund Expenses

12B-1 Fees

An ongoing expense charged to the fund and paid to the commissioned representative for selling the fund to you.

Fees range from 0.25% to 1.0%.

Create Conflict

Types of Mutual Fund Expenses

Front-End Loads

A commission or sales charge applied at the initial purchase.

Can be 5% or even higher

Types of Mutual Fund Expenses

Back-End Loads

A sales charge that investors pay when selling mutual fund shares within a specified number of years, usually five to 10 years.

Can be 5% or even higher

Definition

Expense Ratios

What it costs an investment company to operate a mutual fund.

Read more: <http://www.investopedia.com/terms/e/expenseratio.asp#ixzz1sJycKb3N>

Read more: <http://www.investopedia.com/terms/f/front-endload.asp#ixzz1sJvID5xr>