

Investors Carefully Consider Fees and Expenses When Selecting Mutual Funds

Mutual Fund Investors Also Review Historical Performance of the Fund

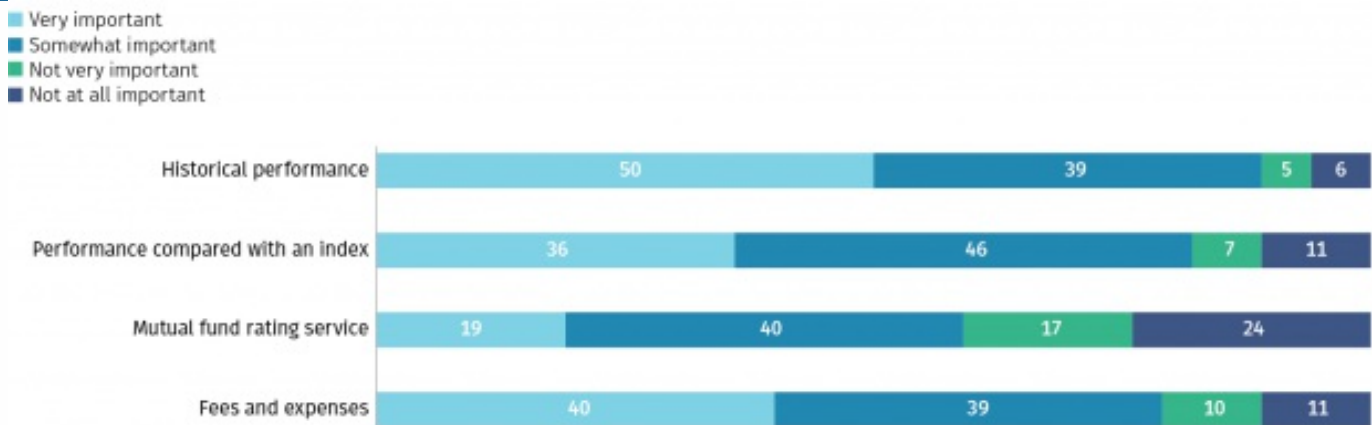
Washington, DC; April 26, 2021—The vast majority of mutual fund investors consider fees and expenses when selecting a fund, according to survey results released today by the Investment Company Institute (ICI). The report found that nearly nine in 10 mutual fund–owning households reviewed the fees and expenses of a fund in 2020, with 40 percent indicating that this information was “very important” to their fund selection decision.

The survey results, “What US Households Consider When They Select Mutual Funds, 2020,” also found that more than nine in 10 mutual fund investors considered the historical performance of a fund, with half saying this information was “very important” to their fund purchase decisions.

“Investors consider a variety of factors when choosing mutual funds, including the fund’s fees and expenses, the historical performance of the fund, and the risk level of the fund’s investments,” said ICI Senior Director of Retirement and Investor Research Sarah Holden. “By carefully considering all aspects of a mutual fund, investors are able to make informed choices as they save for retirement and other financial goals.”

Nearly Nine in 10 Fund–Owning Households Review Fund Performance, Fees, and Expenses

Percentage of mutual fund–owning households, 2020



Source: Investment Company Institute Annual Mutual Fund Shareholder Tracking Survey

Investors Consider a Fund’s Objective, Investment Risks, and Ratings

In 2020, 91 percent of mutual fund–owning households considered the fund’s investment objective when selecting a mutual fund, with 35 percent agreeing it was “very important.” Similarly, 91 percent also considered the risk level of a fund’s investments when selecting mutual funds, with 38 percent indicating it was “very important” in their decisionmaking. Additionally, 76 percent of mutual fund–owning households said they consider a fund’s rating from a rating service, with 19 percent considering such a rating “very important” when selecting their funds.

About the Annual Mutual Fund Shareholder Tracking Survey

Annual Mutual Fund Shareholder Tracking Survey to gather information on the demographic and financial characteristics of mutual fund-owning households in the United States. The most recent survey was conducted from May to June 2020 and was based on a telephone sample of 3,001 US households. For additional information about the survey, see page 2 of the report.

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