



How Fees Shape Your Long-Term Returns

A simple visual guide to understanding expense ratios.

Fund fees (called expense ratios) may look tiny — 0.03%, 0.10%, 1.00% — but over decades, they can make a noticeable difference in your final portfolio value. This visual worksheet shows how even small fees compound over time. It's not about perfection — it's about awareness.

SECTION 1 — WHAT ARE FUND FEES?



Every fund charges a small annual fee to operate. These fees come out of your returns automatically.

- **Low fees** → more of your money stays invested
- **Higher fees** → more of your returns pay for fund management

Fees don't matter much over days or months — but over 20–30 years, they compound quietly in the background.

SECTION 2 — 30-YEAR FEE IMPACT COMPARISON

How Fees Change a \$10,000 Investment Over 30 Years

Same starting amount, same 7% annual return before fees — the fee level changes.



Numbers are for illustration only — past performance does not predict future returns.

0.03% — Ultra-Low Fee

You keep nearly all your market returns.
Common in simple index funds.

0.10% — Low Fee

Still very efficient.
Ideal for most beginner-friendly ETFs.

1.00% — High Fee

Can meaningfully reduce long-term growth.
Common in actively managed funds.

SECTION 4 — KEY TAKEAWAYS

What This Visual Is Really Saying

- Small fees compound just like returns do. Over decades, they add up.
- Lower fees are one of the simplest advantages you can choose. No extra risk. No extra effort.
- It's not about choosing the lowest possible fee every time. It's about being aware.
- Fees matter more for long-term investors. They matter less for short holding periods.
- Your investment mix matters more than fees — but fees are still a meaningful factor.

SECTION 5 — HOW TO USE THIS WHEN CHOOSING FUNDS

Bringing This Into Real Decisions

When comparing two similar funds:

- Look at the fee
- Look at the diversification
- Look at long-term structure
- Choose the one that aligns with your long-term plan

You don't need to obsess over fees. Just be aware of them — especially when comparing similar options.

You don't need perfect timing to build wealth — you need awareness and steady decisions.

Fees are one of the few things you can actually control. Choosing lower-cost, well-diversified funds quietly supports your future self for decades.