



State of Wisconsin
Department of Financial Institutions

Tony Evers, **Governor**

Kathy Blumenfeld, **Secretary**

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Wisconsin DFI Sheds Light on Fund Expense Ratios

MADISON, Wis. – The [Wisconsin Department of Financial Institutions \(DFI\)](#) today issued an advisory discussing the importance of paying attention to expense ratios when comparing mutual funds and exchange traded funds as part of its ongoing efforts to raise investor awareness.

“Mutual funds and exchange traded funds offer investors a cost-efficient way to invest in professionally managed portfolios of securities,” said DFI Secretary Kathy Blumenfeld. “Investors should compare expense ratios, along with a fund’s risk/return profile, when researching funds by reviewing the fund’s prospectus, shareholder reports, and portfolio holdings. By conducting this research, an investor may discover funds with similar investment objectives, offering similar returns but with different expense ratios, which, over time, can eat into a fund’s earnings significantly.”

The advisory explains what expense ratios are, how they are calculated, how they are affected by a fund’s management style, investment strategy, and portfolio size, and important considerations for investors. The advisory also cautions investors not to make investment decisions based solely on a fund’s historical performance because past performance is no guarantee of future performance. The full advisory is available on the agency’s website [here](#).

As with all investments, before making any financial decisions, DFI encourages investors to do their homework, ask questions, and contact DFI’s Division of Securities at (608) 266-2139 or email DFISecurities@dfi.wisconsin.gov for more information.

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