



Imagine booking a flight.

At first glance, the cheapest ticket can seem like the smartest choice.

But experienced travelers know that not all flights are equal.

Some airlines invest more in their aircraft, crews, technology and service.

They're better equipped to navigate turbulence, adjust to changing conditions and keep passengers moving efficiently. Connections are tighter. Delays are handled better. The overall trip is often faster, smoother and more successful – even if the ticket costs more upfront.

Investing works in a similar way.

The rise of fee-  
focused investing

Why net returns  
matter more than  
headline fees

The hidden  
cost investors  
often overlook

Investing isn't a  
single decision.  
It's a series  
of choices

The bottom line

## The rise of fee-focused investing

Over the past several decades, investors have become increasingly fee-conscious. With more transparency and conversation on what you pay for investments, costs have become easier to see, compare and control.

Investors have been told a narrative that sounds both logical and empowering:

Fees are certain, markets are unpredictable - so lower fees must be better.

There's truth in that. Fees matter. Every dollar paid in fees is a dollar that doesn't compound for you.

But somewhere along the way in this narrative, an important nuance was lost. While fee awareness is important, it should not come at the cost of better returns on your hard-earned money. Because investors don't retire on low fees. They retire on net returns, or what they keep after fees.

In almost every other area of life, people understand that the cheapest option is not always the one most likely to deliver the best outcome.

We may willingly pay more for greater expertise, stronger service, or better long-term value when we believe it improves our chances of success.

The real goal of investing shouldn't be minimizing what you pay.

It's maximizing what you keep, and increasing the likelihood of reaching your financial goals over time.

It's time to spend less time asking, "What does this investment cost?" and more time asking, "What am I getting for the cost of this investment?"

## Why net returns matter more than headline fees

When you invest, your long term outcome is driven by the return that compounds after fees are deducted, year after year.

In fact, the performance you see on your account statement is likely already after or net of fees. That's the number that actually matters.

Consider two hypothetical investments:

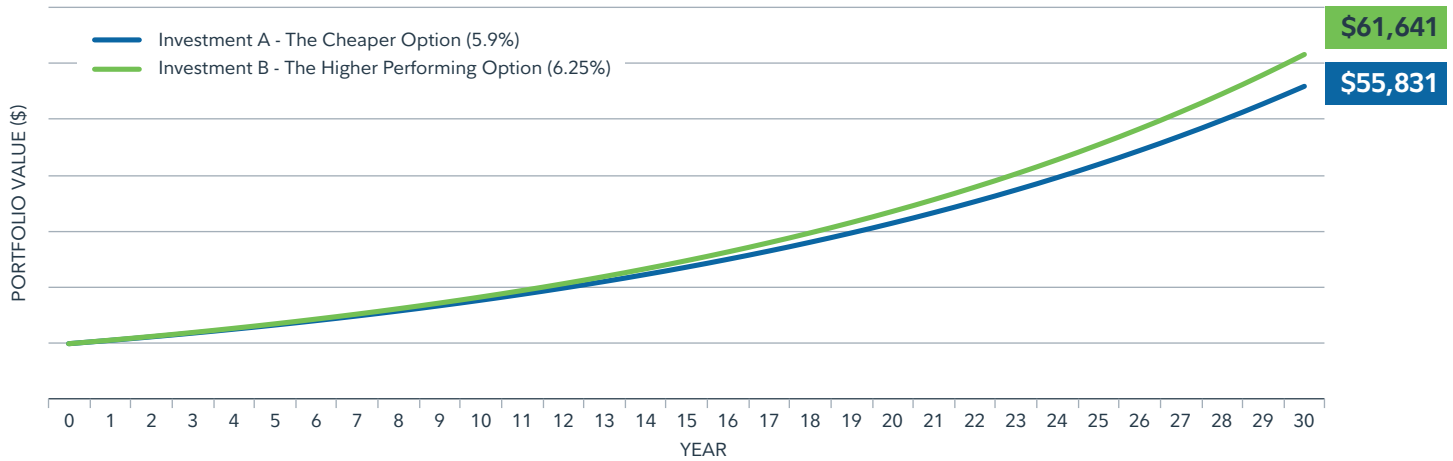
- Investment A - The Cheaper Option - earns 6.0% before fees and charges a 0.10% fee.
  - Net return after fee: 5.9%
- Investment B - The Higher Performing Option - earns 7.0% before fees and charges a 0.75% fee.
  - Net return after fee: 6.25%

At first glance, Investment A might look better because, based on the "only fees matter" narrative we've been marketed to believe, it's cheaper.

But over 20 or 30 years, the higher net return of Investment B could result in meaningfully more wealth, even after accounting for its higher fee.

The difference becomes clearer when you look at how those net returns compound over time.

### How small differences in returns can add up over time



Over 30 years, what feels like an incremental 0.35% difference in annual return results in \$61,641 for Investment B versus \$55,831 for Investment A - **a difference of about \$5,800 in favor of the higher-performing option.**

So the most important question isn't, "How low is the fee?"

It's, "What return am I getting for the fee I'm paying - compared to other options?"

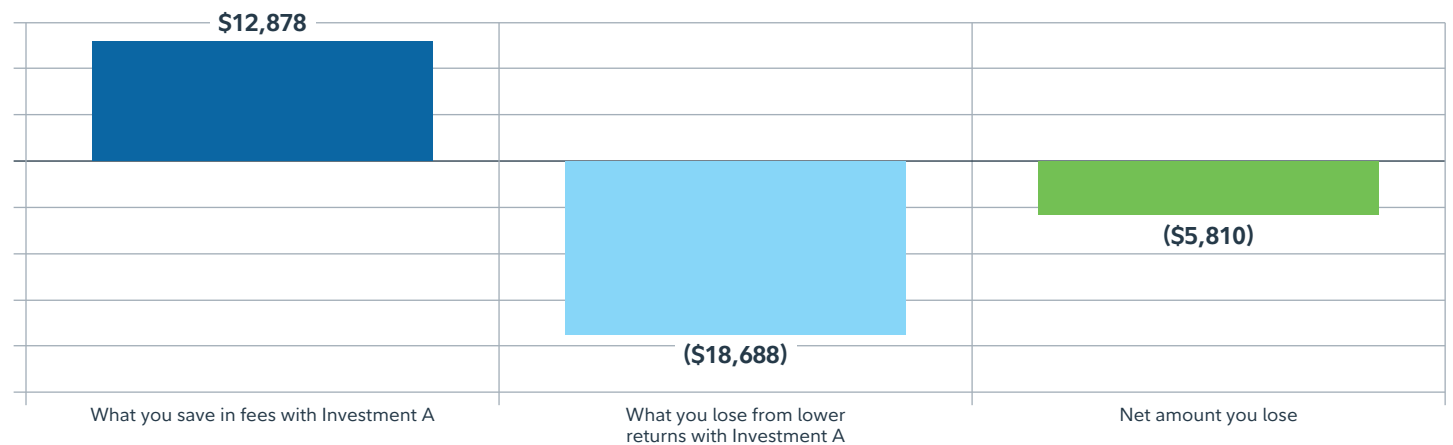
### The hidden cost investors often overlook

Fees are easy to spot, but they're not always the biggest cost an investor faces. Over time, underperformance can quietly erode far more value than fees alone.

If an investment consistently underperforms its benchmark or falls short of your goals, that shortfall compounds but in the wrong direction.

Over time, this underperformance may cost you way more than what you save with low fees.

### The hidden cost of underperformance over 30 years



This doesn't mean higher fees are automatically justified. It means fees should be evaluated in the context of value delivered.

## Investing isn't a single decision. It's a series of choices.

Today's investors have more control than ever before. They can choose:

- How diversified they want to be
- How they allocate across asset classes
- Which strategies they use
- And, yes, how much they pay in fees

But focusing on fees alone narrows the decision framework too much.

A better set of questions looks like this:

- What role does this investment play in my portfolio?
- Does it increase my expected long-term return?
- Does it improve diversification?
- Does it help me reach my financial goals with greater confidence?

Investing isn't binary. It's a series of tradeoffs, comparisons and long term decisions - and the best choice is rarely determined by price alone.

That's because investment value extends beyond the headline fee.

## The bottom line

Fee comparisons are a tool, not a goal.

In a world of endless investment options, thoughtful investors look beyond the price tag and focus on outcomes. They assess the value they're receiving for what they're paying and how that choice compounds over time.

Because in the end, you don't retire on what you pay. You retire on what you keep.

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