

[Avoid mutual funds and ETFs with sales loads, commissions and 12b-1 fees](#)

Category : [Selecting Diversified Investment Funds -- Mutual Funds and ETFs](#)

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Avoid mutual funds and ETFs with sales commissions and marketing fees

There is no convincing evidence that sales loads and other sales fees charged to investors result in higher mutual fund and ETF performance. In fact, the opposite has repeatedly been proven true with mutual funds, which have a long performance history to evaluate. Paying a load just means that you are throwing your hard-earned money down a hole. Front-end and back-end loads, 12b-1 fees, and other sales compensation charges only ensure that an advisor and his/her advisory firm will be compensated for guiding you to select funds that will pay these fees. Front-end loads reduce the amount that will be invested in the fund on your behalf. You will have less money invested and fewer assets upon which to earn a return. Back-end loads allow funds to take away a share of your future returns. Funds with front-end and back-end loads also tend to charge higher annual fees. Marketing fees sometimes known as 12b-1 fees are additional periodic sales charges that further reduce your ongoing returns. Assessed over time, 12b-1 fees pay a sales agent for periodic "servicing" and more sales. Please read this article on our new [Best No Load Funds](#) website for more information: [The Best Mutual Funds Have NO Sales Loads and NO 12b-1 Fees](#)