

Choose mutual funds with a minimum economical portfolio size

Category : Selecting Diversified Investment Funds -- Mutual Funds and ETFs

Published by [The Skilled Investor](#) on Jul/19/2005

Choose mutual funds and ETFs with a minimum portfolio size that is economical. If you are going to invest in actively managed funds, then you should want them to have a sufficiently large asset base to fund the necessary research. If an active fund is too small, then fund management quality can suffer or fees could grow. Passively managed index funds and ETFs do not have the significant overhead that active funds have associated with personnel to evaluate investment alternatives. Because of their much lower analytic costs, the minimum size of passively managed index funds and ETFs can be less an issue than it is with an actively managed fund. Please read this article on our new [Best No Load Funds](#) website for more information: [Avoid Very Small Mutual Funds and ETFs](#)