Total fund costs - Key elements you need to know before investing

To reach your long-term goals, retirement or financial freedom, investing matters. This helps your savings grow.

One way to do so is to put money in an investment fund. These are financial products that hold a wide range of assets. It is an easy way to put your money to work while spreading risk. In the EU, UCITS are the most common fund type for retail investors.

HOW CAN YOU PURCHASE AN INVESTMENT FUND?

Banks

Investment firms

Insurance

Digital platforms

Banks, insurers, and investment firms are **traditional** distribution channels.
Digital platforms are **online apps and websites** that let you invest directly from your phone or computer.
Investment funds manufacturers can also **directly** sell their financial products to you.

Pay attention to the costs!

Before investing, take your time to decide and, if needed, ask further information from your advisor or the company selling the product.

Ask for the **Key Information Document of the fund**. It shows you:

- Maximum fees for buying or selling (labelled as entry/exit costs). These can be negotiable, so worth asking!
- How much you pay for the management of the fund (ongoing costs).

Also, make sure to **ask**:

- The costs linked to the investment fund you are about to invest in.
- The costs for the distribution services charged by those enabling you to buy the fund.

DID YOU KNOW?

By law (MiFID II), your advisor or platform must tell you all the costs. These also include their own fees for selling you the fund (distribution costs). Always ask for a complete breakdown before investing. This is not clearly visible in fund documents.

Please note that:

Costs for distributing the investment fund amount to 48% of total costs for UCITS.

Manufacturers can give distributors monetary incentives to sell their funds to you. This takes up a significant share of the ongoing costs of the investment.

These payments, by law, should be disclosed to you. Always ask!

HOW MUCH DOES IT COST ?

It depends on several factors, ask for all the details !

Product characteristics

- Which type of investment fund are you buying (UCITS/AIF)?
- What are the objectives and strategy of the fund (equity, bond, etc.)?
- How is your investment fund managed (active/passive/ETF)?

Distribution channels

- Costs may vary according to the type of financial intermediary you invest through (bank, insurance, investment firms, digital platforms).
- Each financial intermediary offers different types of distribution services. Some are more expensive than others (advice, portfolio management, execution only, etc.).

Investment characteristics

- Costs are proportional to the amount of money you invest. The smaller the amount, the higher the costs. However, you may also bear fixed costs that are independent from your investment.
- Redeeming the investment earlier than expected may be more expensive than holding it for longer.
- Costs may be tailored to your financial profile. Consult with a trusted advisor or financial entity to learn the investment options.

A EUR 10,000 investment in a UCITS would cost you:

Total: Between EUR 50 and EUR 200.

Distribution costs: Between EUR 24 and EUR 96.

Product costs: Between EUR 26 and EUR 104.

Read ESMA's 2025 Report on total costs of investing in UCITS and AIFs here!

ESMA regularly publishes an **annual report** on costs and performance of retail investment funds. This is accompanied by an **interactive dashboard** that allows you to compare aggregate fund product costs across types, countries and investment horizons.

Latest costs and performance report
ESMA interactive dashboard