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Retirement Savings Education, Simplified • First Quarter 2026 Newsletter

Everything You Need to Know About Investment Fees

Understanding Investment Costs

When planning for retirement, most people focus on how much they contribute and how their investments perform. While those factors are important, fees are another key piece of the puzzle—and one that's often overlooked.

Fees and expenses reduce your investment returns, sometimes significantly, especially over decades. Being informed about what you pay — and why — can help you make more informed decisions and keep more of your money working for your future.

What are investment fees?

Investment fees are the costs of investing and maintaining your retirement account, such as plan administration and investment management fees, and while some appear on your statement, others are automatically deducted from your investment returns. A simple way to picture this is a bucket: your contributions and earnings fill your bucket, while fees act like small holes—each one may seem minor, but over time those leaks add up, leaving you with less money in your pale.

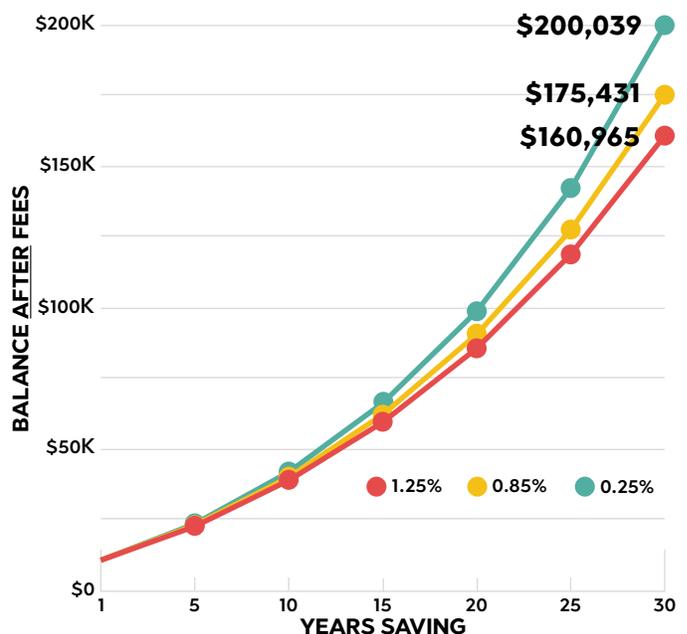


How do fees affect your savings?

At first glance, a difference of just one percentage point may seem minor—but over time, it can have a noticeable effect on your retirement savings.

Imagine you start with \$10,000 in your deferred comp account, contribute \$75 every semi-monthly paycheck, and earn an average annual return of 6% for the next 30 years. With annual fees of 0.25%, your savings could grow to roughly \$200,000. If those fees increase to 1.25%, your ending balance drops to nearly \$160,965 after 30 years—still a strong outcome, but with \$40,000 less money in your account.

The higher the fees, the more they chip away at long-term growth and your retirement savings balance. The chart below shows how even small differences in costs can add up over time.



Common Types of Retirement Savings Fees

There are several types of saving and investing costs listed and explained below. **It's important to note that not all of these fees apply to deferred comp.**

- Operational/Administrative Fees:** These fees cover the cost of operating the retirement savings plan, including recordkeeping, customer service, technology, and participant education.
- Investment management Fees:** These fees pay for managing and running a fund, such as investment oversight, trading, recordkeeping, and accounting. The cost is automatically deducted from a fund's assets, which means they are reflected in a fund's investment return.
- Transaction Fees:** These fees can apply when you use optional services such as requesting a withdrawal or choosing expedited processing.
- Load Fees:** Front- and back-end load fees are sales charges paid when you buy or sell specific classes of mutual funds.
- Managed Account or Advisory Fees:** These fees are charged for personalized investment management or professional advice and are typically charged as a percentage of your account balance.
- Trade Commission:** A trade commission is a fee paid each time you buy or sell an investment, like an individual stock.
- 12-b1 Fees:** These are ongoing mutual fund fees used to pay for marketing, distribution, and shareholder services, and they can be included in a fund's expense ratio, reducing investment returns over time.



How are plan costs determined?

Plan fees cover the actual costs required to operate and maintain the retirement savings plan. The plan's cost includes two types of fees: administrative fees and investment management fees.

The administrative fee covers the cost of running the plan, including staff, customer service, education, mailings, technology, and recordkeeping. Each investment option also has a management fee for operating the fund.



The Cost of Saving with MO Deferred Comp



As part of the recordkeeping transition to Voya Financial, the cost to save with the MO Deferred Comp Plan changed slightly. Previously, Deferred Comp savers paid \$1 per month plus 0.09% of assets. **Today, savers pay \$1.75 per month plus 0.08% of assets.** While it may appear that fees increased, in many cases the new fee structure may actually reduce overall costs for participants. The table below estimates the fees paid by balance and the difference between the old and new fee structures. For balances under \$90,000, costs increased slightly. For balances above \$90,000, costs decreased.

The MO Deferred Comp Plan regularly reviews plan costs, compares them to other plans, and negotiates with its recordkeeper and providers to ensure fees are reasonable, competitive, and aligned with the level of services provided.

Balance	Past Fees \$1.00/month + 0.09% of assets	Current Fees \$1.75/month + 0.08% of assets	Difference
\$30,000	\$39.00	\$45.00	\$6.00
\$50,000	\$57.00	\$61.00	\$4.00
\$70,000	\$75.00	\$77.00	\$2.00
\$90,000	\$93.00	\$93.00	\$0.00
\$100,000	\$102.00	\$101.00	- \$1.00
\$150,000	\$147.00	\$141.00	- \$6.00
\$200,000	\$192.00	\$181.00	- \$11.00
\$250,000	\$237.00	\$221.00	- \$16.00
\$300,000	\$282.00	\$261.00	- \$21.00

The example expense table is for illustrative purposes only and is not all-inclusive.