



lower costs. better results.

The Real Impact of Reducing Costs

Among the biggest challenges you face as you plan for your goals is fees: what they are and whether or not you can see them. While there are many cheap ways to do it yourself, if you choose to work with a professional, fees can be high and are generally not easy to find. For the purposes of this exercise, we focus on the two biggest sources of cost to investors: (1) traditional financial advice and (2) mutual funds.

Because Metric was founded on seeking to reduce costs and improve results, we compare the average financial advisor fee to that of our own. There are two things to note: (1) the 10-year savings is not simply the annual savings multiplied by 10 because those savings stay in your portfolio and compound over time and (2) the difference over time can have a real impact on financial goals like when to retire. The Average Advisor Fee and the Metric Fee are annual fees.

Account Balance	Average Advisor Fee (%)*	Metric Fee (%)	Average Advisor Fee (\$)	Metric Fee (\$)	1-Year Savings	10-Year Savings**
\$500,000	1.05%	0.75%	\$5,250	\$3,750	\$1,500	\$21,730
\$1,000,000	1.02%	0.63%	\$10,200	\$6,250	\$3,950	\$57,222
\$2,000,000	0.91%	0.56%	\$18,200	\$11,260	\$6,940	\$100,537
\$5,000,000	0.84%	0.38%	\$42,000	\$18,750	\$23,250	\$336,813

*Source: AdvisoryHQ

**10-year future value of savings assuming 8% annual return

Moving on to mutual funds, we focus on actively managed funds because they are ubiquitous, tend to have high fees that cannot be seen on your financial statement, and often do not beat a simple market index***. We compare the annual costs of the Average World Allocation fund (global stock and bond mix) to the annual cost of Metric's 60/40 portfolio (60% global stocks and 40% global bonds).

Account Balance	Average World Allocation (%)*	Metric 60/40 (%)	Average World Allocation (\$)	Metric 60/40 (\$)	1-Year Savings	10-Year Savings**
\$500,000	0.88%	0.20%	\$4,400	\$1,000	\$3,400	\$49,254
\$1,000,000	0.88%	0.20%	\$8,800	\$2,000	\$6,800	\$98,509
\$2,000,000	0.88%	0.20%	\$17,600	\$4,000	\$13,600	\$197,017
\$5,000,000	0.88%	0.20%	\$44,000	\$10,000	\$34,000	\$492,543

*Source: Morningstar, as of May 31, 2020

**10-year future value of savings assuming 8% annual return

While we believe in our process, the purpose of this piece is not to debate what will perform well and what will not, so the portfolio is assumed to earn 8% per year whether with the Average World Allocation Fund or with Metric's portfolio. Instead we are attempting to answer the following question: "all else equal, what is the long-term impact of reducing my costs?" As you can see, the difference is material. For example, a \$1,000,000 portfolio over 10 years would save \$57,222 in advice fees and \$98,509 in investment expenses. That means in 10 years, using a traditional advisor and the average fund, the \$1,000,000 would grow to \$2,158,925. Using Metric, it would grow to \$2,314,656, a difference of \$155,731.

We offer a no-cost, no-obligation evaluation and comparison of fees, so please feel free to reach out at info@metricfin.com or (860) 256-5895. Don't forget to visit www.metricfin.com to learn more about us!

***As demonstrated by the Standard & Poor's Index Versus Active (SPIVA) study

Please visit www.metricfin.com/ourfees for our complete fee schedule.



lower costs. better results.

Disclosures

Metric Financial, LLC ("Metric") is registered as an investment adviser offering advisory services in the State of Connecticut where we have an office and/or clients. We offer our investment advisory services to clients in a particular state only after complying with the state's regulatory requirements or pursuant to an applicable state exemption or exclusion. Registration does not imply a certain level of skill or training. This piece shall not be directly or indirectly interpreted as a solicitation of investment advisory services to persons of another jurisdiction unless otherwise permitted by state rules or regulations. Follow-up or individualized responses to consumers in a particular state by Metric in the rendering of personalized investment advice for compensation shall not be made without our first complying with jurisdiction requirements or pursuant to an applicable state exemption.

Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal the corresponding indicated performance level(s). Moreover, you should not assume that any of the above content serves as the receipt of, or as a substitute for, personalized investment advice from Metric Financial. Please remember to contact Metric Financial if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. Please also advise us if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services.

The hypothetical examples included above are for illustrative purposes only and do not represent the actual performance achieved by any Firm client. This example is not intended to be representative of any Firm performance results. The return assumptions do not reflect any transaction costs of buying and selling securities, custody and other costs, or taxes – all of which would be incurred by an investor in any account managed by any firm. If such costs and fees were reflected, the returns for both hypothetical accounts would be lower. The average advisor fees are provided by an annual study from AdvisoryHQ and will vary. The Average World Allocation Fund, as presented, is the average expense ratio for funds in that Morningstar category and will vary. The 8% annual return reflected in the 10-year savings is an assumed annualized return. It does not represent any actual returns of a portfolio and is for illustrative purposes only. All investments entail risk and returns will fluctuate from year to year.