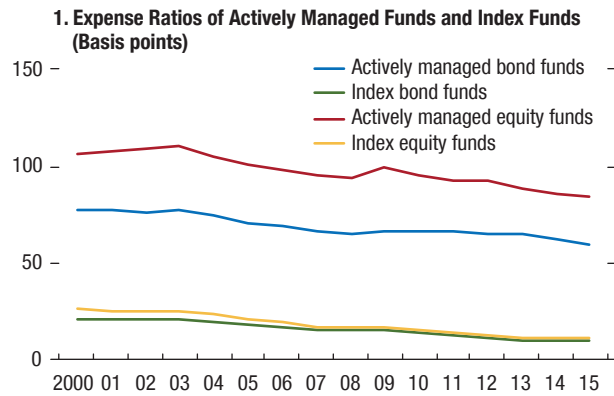
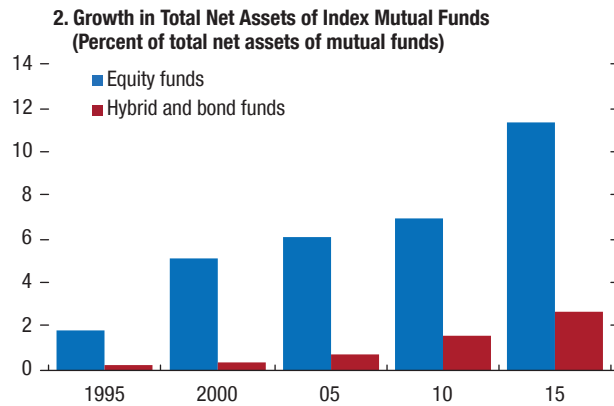


**Figure 2.9. U.S. Mutual Fund Expense Ratios and Growth of U.S. Index Funds**

Fees charged by active funds are significantly higher than those charged by index funds.



The share of index funds has increased dramatically over the past two decades.



Sources: Investment Company Institute; and IMF staff calculations.

Note: The expense ratio is the annual fee charged by a mutual fund to its shareholders, defined as the percentage of assets deducted for fees and administrative expenses.