How the Costs (Fees) Are Calculated

The fees for each of the investment types were determined from Vanguard and TD Direct Investing.

Vanguard lists the following fees:

- Mutual Funds: **2.15%** (215 bps)
- Index Funds: **0.84%** (84 bps)
- ETFs: **0.21%** (21 bps)

The commission (fee) for buying stocks is listed at **$9.99** per trade by TD Direct Investing.

The Mutual Fund Fee Calculator from OSC was used to calculate each of the fees. The calculator is available online here:


The following values were used:

- Investment amount: $25,000
- Investment held for: 25 years
- Regular contribution: $0
- Past return: 5.5%
- Management Fee: 2.15%

A typical $25,000 portfolio of individual stocks is composed of 5 trades of $5,000 each resulting in a cost of:

5 x $9.99 = $49.95

Using the Mutual Fund Fee Calculator the total costs for each of the investment types over 25 years will be:

- Mutual Funds: **$28,569.29**
- Index Funds: **$11,085.45**
- ETF: **$2,762.34**
- Stocks: **$49.95**

Vanguard Source:


TD Direct Investing Source:

https://www.td.com/ca/products-services/investing/td-direct-investing/commissions-fees/

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