
Vanguard's Low Fees Get Lower

By Editor Test *Wed, Oct 13, 2010*

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Vanguard's ultra-low cost "Admiral" class of mutual fund shares, until now available only to investors able to put at least \$100,000 in an individual fund, are now within the reach of ordinary middle-class investors.

Investors now have to put only \$10,000, not at least \$100,000, in Vanguard's broad stock and bond market index funds to buy ultra-low cost Admiral Shares, and only \$50,000, not \$100,000, to qualify for Admiral Shares on most Vanguard actively-managed funds.

Someone investing \$50,000 in Vanguard's 500 Index Fund, for instance, would pay \$35 a year in management fees instead of \$90. He or she would pay seven basis points (.07%) per year in fund management fees, the Admiral Shares price, instead of 18 basis points, the Investor Shares price.

The move affects an estimated two million Vanguard shareholders and 52 Vanguard funds, including the huge Total Stock Market Index Fund (Admiral Shares, 7 basis points/Investor Shares 18 bps), the Total Bond Market Index Fund (Admiral Shares, 12 bps/Investor Shares, 22 bps) and Total International Stock Market Index Fund (Admiral Shares 20 bps/Investor Shares, 32 bps).

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