

**Q. How can I invest in mutual funds but pay small fees? I don't really like the idea of index funds and I would rather have a money manager making the decisions. Or is that a bad idea?**

**— Investor**

A. All mutual funds have fees, but there are plenty of low-cost options.

If you're a do-it-yourselfer, [index funds](#) typically have the lowest expense ratios, said Marnie Hards, a certified financial planner with Aznar Financial Advisors in Morris Plains.

If you decide that cost is the most important factor, she recommends you consider using index funds to build a well-diversified portfolio. She said [Vanguard](#) is known as a very low cost mutual fund company that offers a variety of excellent index funds that you could use to build an inexpensive and well diversified portfolio.

If you do not want to incur the costs associated with hiring a money manager, Hards said you could consider some mutual funds that would do some of that work for you.

For example, she said, Vanguard offers [target retirement funds](#) as well as LifeStrategy funds that are well-diversified and in the case of the target retirement funds, adjust the asset allocation as you get older.

But if you don't want to go it alone, consider other services that may be helpful.

If you want to hire a money manager or investment adviser to help you with your financial planning and investment management needs, she will charge a fee for her services that will be in excess of the underlying mutual fund fees, Hards said.

“Many individuals find that the fees that they pay their advisor are well worth the value that they receive, but whether or not it makes sense for you to hire a money manager truly depends on your individual circumstances and wealth as well as your available time, energy and inclination to manage your own money,” she said.

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