

Mutual funds are a popular way for average Americans to invest, but many don't fully understand them.



Mutual funds are investment companies, regulated by the Securities and Exchange Commission. They raise capital to invest by selling shares; that money may be invested in stocks, bonds, options, commodities and money market securities.

Investors favor mutual funds because of factors such as their professional management and their diversification: Funds typically hold numerous different investments in an effort to hedge against the possibility of any one investment performing poorly.

Mutual funds have drawbacks as well. Among their disadvantages are their management, operating and sales fees, which can significantly cut into investors' returns. Copeland Wealth Management has the expertise to help determine whether mutual funds are the right solution for your needs.