

## NEED TO KNOW

### Get back your commissions

After all, why should someone you never met get a slice?

**I**t is possible to get the notorious commissions paid to you rather than your financial planner. YourShare is a service that acts for investors, receiving the commissions from your investments and paying them back to you.

"It's basically money for jam," explains Paul Brady, an accountant who stumbled upon the idea of reclaiming hidden commissions paid from investments, superannuation and insurance when his wife, fellow accountant Juliet, discovered she was

An example is that of Mia who has \$80,000 in the BT superannuation fund. She adds \$791 a month to her super. When she joined up with YourShare, the upfront commissions of 4% went to 0% and Mia saved \$31.65 each month that went to her superannuation fund.

Over 25 years this added up to \$27,765. The rebate from the trail commission received by Mia amounted to \$34,061. She saved a total of \$61,826.

It can be difficult for investors to work out the fees. They are explained generally in the product disclosure statement. Brady says that a constant complaint is that the phone staff at financial institutions cannot explain the fees.

Brady says that the range and level of fees varies between the different fund managers.

"But as a general rule the higher the fees charged the greater the funds investment returns will need to be to compensate for the fees flowing out of your savings."

"People are amazed when they see just how much this adds up to," says Brady.

YourShare also works on wraps, master trusts and investment platforms as they also have fees, charges and commissions., says Brady.

"You don't have to change your investments, or even touch them.

"All you do is nominate YourShare as your broker and we arrange to receive your hidden commissions on your behalf. Then every year you receive a cheque for your share of the commissions we collect."

He says that the fund manager still charges the same management fee and gives the same service. "YourShare has no access to your investments, and all control remains with you." See [www.yourshare.com](http://www.yourshare.com).

The cost? YourShare charges a fee that is 50% of the trail commission if the total is under \$4000, or 30% if it is over \$4000.

**When the fees are measured** against the profits from your investment, **it can add up to a big chomp** that can hold back your wealth accumulation

paying a high sales commission on her superannuation contributions, to someone she had never met.

"It's outrageous that for the life of an investment, some anonymous agent can receive continuous commissions from your funds and in most cases do nothing for you," says Brady.

The Bradys launched their business YourShare a year ago. It is for people who own a managed fund, a retail superannuation fund, master trust, pension, wrap or insurance policy bought from a planner or an online broker or directly from a fund manager or discount fund supermarket.

You are most likely paying a hefty upfront commission that can be as high as 5% on any new contributions if bought from the first three suppliers, and you are most likely paying a trail commission of around 0.5% every year (the range is 0.25% to 1.1%) on the balance if you bought from any of the suppliers.

Some insurance policies pay ongoing commissions in the order of 5% to 30%, says Brady.