

A plan of expanding interest

A new service is aiming to put millions of dollars in commission payments back into investors' pockets instead of allowing it to go to lazy advisers.

The company, called YourShare, was set up by Paul Brady and his wife Juliet after they discovered that she had been paying 1.1 per cent in trail commission each year on her AMP super fund — to an adviser they had never even met.

"It's a disgrace that this money is going to people who don't deserve it when it could be redirected back to investors," they say.

"We are not advocating leaving your financial planner if they are doing a good job, but ask yourself: would you write them a cheque for hundreds of dollars each year for the service they're providing you? If the answer is no, then the answer could be to register with us."

The service works by investors nominating YourShare as their broker, and then it will receive all the trail commissions paid out on all of your relevant investments. It will then pay 50 to 70 per cent of the trail fees out to clients and keep the rest as payment for its service.

Financial planners receive trail commission, typically 0.5 per cent, on a huge range of products from managed funds to super, life assurance, margin loans, annuities, pensions and bonds.

The commission is supposed to pay advisers for work they do in reviewing clients' investments, but few actually do anything to earn the money.

YourShare can also rebate upfront commissions paid on managed funds and super funds, or have the charges re-

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moved so that more of your money is invested. For example, one client, aged 40, had \$80,000 invested in a BT superannuation fund and was contributing \$791 a month. YourShare received the client's fund broker nomination form in May, 2007.

YourShare lodged the broker nomination with the fund manager and reduced the initial commission paid on all regular contributions from four per cent to zero per cent.

That meant an extra \$31.65 was added to the client's superannuation account each month.

Assuming the funds grow at 7.5

per cent per annum, and the client retires at 65, the total annual cash rebates to the client will be \$34,061. The savings in upfront fees reinvested into the client's account yields another \$27,765.

So, in total, YourShare says it will save this client \$61,826.

For details of how to register, go to www.yourshare.com.au or call 1300 554 774.