

Frequently Asked Questions



How much should I be paying in fees to receive advice and manage my investments?

Let's assume you are a couple with joint investments of \$300,000 in a Balanced portfolio. In this scenario, if you are currently paying materially more than 1.5% p.a. in total fees (investment, platform and financial advice) for a Balanced portfolio then you may be paying too much and it might be time to get a second opinion. It is not uncommon for investors to be paying in excess of 2.5% p.a. on much larger investment balances. Every additional 1% p.a. in fees paid has a very material effect on final retirement outcomes.

The fee comparison is no different for a Self-Managed Superannuation Fund. Look at all of your costs for the fund (accounting, compliance and regulatory costs, and the costs of underlying investments and advice) and make the comparison.

If the hypothetical portfolio above was to increase to \$600,000 and you were on a Fee For Service arrangement for your advice, your total costs should reduce to around 1% of the portfolio due to the advice costs remaining at a constant amount.

Your latest annual investment or superannuation statements are the easiest place to gather all of the required information to make this comparison. Or contact us at The Financial Advice Shop and we can help you.
