

Grow with Marinis

From: Grow with Marinis
Sent: Friday, 15 March 2013 11:24 AM
To: Grow with Marinis
Subject: Whatever Happened to the Benefits of Scale?
Attachments: 2013 03 15 - Super Fees Soar.pdf

Dear Client,

I was dismayed to read in last Friday's edition of The Advertiser that insurance and operating fees charged by many large super funds have reached record highs with continued rises expected. (See the attached article.)

Whilst smaller, leaner groups, like Marinis Financial Group have chosen to rebate fees to our clients, it is reported that there has been a 25% increase in super fund investment fees over the last five years, with industry funds charging members increases of up to 20% per annum (tipped across the board to rise to 40% per annum) on insurance premiums, despite their massive buying power throughout the insurance industry, and despite having been on an aggressive acquisition path which should logically have driven costs down.

Within Marinis Financial Group, our policy remains to keep fees and charges as low as possible for our clients, whilst meeting legislative compliance and other regulatory costs.

We charge flat fees for our work and rebate to clients all other additional payments and incentives which may be on offer. Our clients pay nowhere like the investment costs that are described as being normal for retail clients in the graph in Karina Barrymore's article from The Advertiser, and in many cases our clients will pay equal to, or less than those charged by industry funds.

The figures in the article are of course, based on averages and we remain very proud to be far below average.

Please feel free to contact myself or Michael Callisto to discuss the Marinis Financial Group approach to fees and charges. I am sure you will be pleased to discover that not all superannuation funding solutions come with the cost increments reported in this article.

PS: If you have not already done so, please take a minute or two to complete our short website survey for the chance to win one of two lovely hampers. We have appreciated the feedback thus far and your feedback helps us to ensure we are delivering services that are valuable to you.

The survey can be accessed by clicking on the link below:

<https://www.surveymonkey.com/s/MFG-Comp-Surv>

Sincerely

Theo Marinis B.A, B.Ec, CPA, FPA[®]
Financial Strategist
Authorised Representative



GROW @ Marinis

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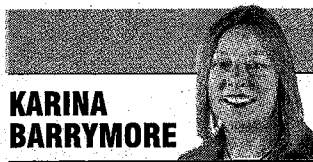
Super fees soar, with insurance costs next

SUPERANNUATION fees and charges have reached a record high with the average account holder now charged \$150 a year, according to the latest analysis of government statistics.

Actuary Deloitte said yesterday that super fund charges jumped more than 6 per cent during the year to last June and 25 per cent during the past five years.

Worse, however, Deloitte expects fees to keep rising, particularly as the new streamlined super system is introduced later this year.

In a report, Deloitte partner Wayne Walker said Australians should also prepare for



KARINA BARRYMORE

a hike in insurance costs through their super fund, despite the massive buying power most funds have throughout the insurance industry.

Independent researcher SuperRatings is also tipping premium increases this year of up to 40 per cent.

The good news is that contribution levels have rebounded past their pre-global financial crisis highs.

However, Mr Walker said despite most people retiring without adequate savings, they were still prevented from saving more by current laws that limited contributions to \$25,000 a year.

Deloitte's analysis of the latest Australian Prudential Regulation Authority statistics found industry funds had the lowest average operating fees, at \$103 per person, compared with \$268 for retail fund members and \$299 for corporate members.

However, during the past year industry funds also recorded the biggest increase, up 9 per cent.

The actuary also said the

super sector's preference for quoting fees as a percentage of someone's balance was misleading and for only the second time it has published fees on a dollar basis to give a more accurate comparison.

"The increase in operating costs can sometimes be masked by the increase in average account balances, if costs were expressed as a percentage of the balance," Mr Walker said.

The annual insurance premium per person also jumped significantly during the past financial year, with industry fund members paying an average of \$152 for insurance, up 20 per cent.

WHAT YOU PAY

	2011 (\$)	2012 (\$)
OPERATING FEES		
Industry	94	103
Retail	248	268
Corporate	293	299
Average	141	150
INSURANCE FEES		
Industry	126	152
Retail	195	232
Corporate	157	192