

Media Release: 3 March 2009

What Investors Want

A survey of 500 Australian Investors' Association members has found that investors clearly want:

- **Upfront, hourly fees for financial planners**
- **More regulator action on dodgy products & advice**

Upfront, hourly fees

Most Australian investors want to be able to pay financial planners and advisers a transparent, set, hourly rate for their services rather, a survey has found.

The survey found that 74% view set hourly rates as the most appropriate remuneration model for financial planners and advisers. 15% are happy with any model as long as it is full disclosed, while only 3.9% and 0.6% are comfortable with one-off and trailing commissions respectively.

AIA president Jolyon Forsyth said the survey results showed investors wanted to pay a fair price for a fair hour's work and are strongly opposed to trailing commissions which often reward failure.

"The latest, greatest example of complex, opaque commission structures that rewarded failure is Storm Financial, but trailing commissions are actually one of the most common remuneration models" Mr Forsyth said.

More regulator action on dodgy products & advice

The survey found that 69.5% felt that Government should be doing more to advise and protect small investors. 29.5% felt that the balance between regulation and the free market is about right, with just 1.5% of the view that Government should be doing less to advise and protect small investors.

"Regulatory supervision is at the core of both the global financial crisis and individual failures like Storm financial and Opes Prime." Mr Forsyth said.

"The Australian Investors' Association welcomes the Government's recently announced Inquiry into Financial Products and Services and will be making a detailed submission on how better to protect retail investors."

N=500, conducted 20 February – 2 March

Investors Helping Investors

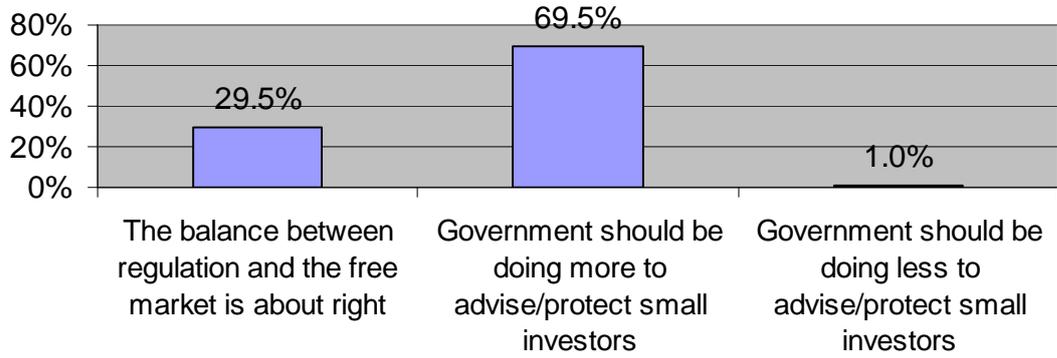
As a non-profit organisation, The Australian Investors' Association exists for one purpose: to help our members become more successful long-term investors.

We protect and advance the interests of Australian investors across all types of investments and asset classes – including shares, cash, property and managed funds. Whether you invest through a Self Managed Super Fund, a family trust, or directly, the Australian Investors' Association leads debate on the policies and issues that matter to you.

Together, we can accomplish more. The Australian Investors' Association's local meetings, leading national conference, investor bulletins, telepresentations and website provide the opportunity for members to connect and learn both from experts and each other's experience.

Regardless of where, why and through what structure you invest, the Australian Investors' Association can help you develop the skills to take ownership of your financial future.

Thinking about Regulators and community watchdogs and their role in advising/protecting the public from bad investment advice and products, do you think:



Thinking about Financial Planners and Advisers, which fee structures do you think are the most appropriate?

