

(PRLEAP.COM) January 7, 2014 - January 6th is the unofficial start of the annual RSP season. And with it, comes the "Canadians won't have enough money to retire" media campaign. It's not a coincidence: nothing sells financial services and products more effectively than anxiety. While doom and gloom can motivate us to pay closer attention to our goals, it is a lousy planning tool. Some industry insiders are counseling us to relax a bit, and focus on what is arguably the most important factor in retirement planning – controlling investment costs.

"High fees are the primary reason average investment returns are so lacklustre," says Edward Kholodenko, President and CEO of Questrade . "Reducing fees unleashes the power of compound growth. It's a simple equation: the more you have to invest, the more your investments can grow, and the faster you can reach your retirement goals."

Questrade has led the trend toward lower investing costs since it was founded in 1999, says Kholodenko. "We were the first to reduce trading fees to under \$10, at a time when most brokerages charged \$30 or more. And as of January 6th 2014, Questrade clients can trade stocks for as little as one cent."

[A commission as low as a penny](#) ? That's right. Change your thinking about your retirement and ignore the anxiety machine that would have us believe high cost mutual fund RSPs are the only way to go.

Peter Hodson, CEO and founder of 5i Research Inc., an independent research firm, notes the mutual fund sector provides a particularly vivid example of the damage fees inflict on returns, even for elite professional managers. "There are some very smart money managers out there, but research proves that very few, less than five per cent, can outperform a market index over a 10-year period – because of high fees," he says.

From a risk-return standpoint, there is nothing to compare to the growth potential achieved by reducing fees, says Hodson, a former chairman of Sprott Asset Management LLP and 25-year industry veteran. "There is no risk, and a fee reduction of even one per cent over 20 or 25 years can mean hundreds of thousands of dollars of additional growth on an average retirement portfolio."

The impact is equally significant for early-stage investors. Over a 25-year period with a modest five per cent average annual return, for example, a \$25,000 RSP portfolio will grow to \$84,659. When you add on annual fees of one per cent, that nest egg is reduced to \$66,646. At two per

cent, it's down to \$52,344 – a difference of more than \$32,000 in spending power.

Making the switch to self-directed investing can be a simple change in attitude. And it is worth it. "Low fees means the money stays with you, in your account, where it can build for your benefit – not someone else's," stresses Kholodenko. "My tip? Start with a [free practice account](#) to see how easy it is. Then just start investing for yourself."

About QuestradeQuestrade Inc., headquartered in Toronto, provides Canadians with high-speed, direct access trading in the U.S. and Canadian stock and options markets through its IQ trading platforms, as well as forex and CFD trading. Since 1999, the company has led the industry in delivering outstanding service, exclusive products and services, and competitive pricing. This commitment to innovation has appealed to independent investors, and for the past two years, the company has ranked as Canada's fastest growing online brokerage. For two years, Questrade also earned the designation as one of Canada's Best Managed Companies.