The Straits Times carried a report on 19 Dec, which mentioned that a price war of sorts has broken out between distributors of unit trusts, with several distributors offering as low as 1% sales charge.

DBS started charging a flat 1% sales charge in October 2009, while Fundsupermart followed suit by offering a 1% charge for 11 of its top performing funds

Standard Chartered Bank is also said to have offered 1% sales charge, but for selected customers only, according to the same report.

Most online distributors charge 1.5% to 2.5%, while banks can charge up to 5%.

The article however omitted to report that the Fundsupermart's 1% sales charge is only applicable for a limited period of between 8 December to 14 January 2010, whereas DBS's 1% sales charge does not seem to expire.

As a quick comparison, here are what the major distributors charge (excluding one-time promotions) and the selling-points of each distributor.

- ***DBS***: 1% sales charge, 14 days cooling period (versus industry standard practice of 7 days).
- ***Philip***: 2.5% sales charge, but usually has year-long discounts at 1.5% for a range of funds. Sales charge can go down to 1% for investors with portfolios above $200,000. 0.5% switching fee.
- ***Fundsupermart***: 2% sales charge. Unlimited free switches for both inter- and intra- fund house switch orders in the same sales charge tier.
- ***Finatiq***: 2.5% to 3% for most funds, but can go down to 2% for investments via CPF.
- ***Dollardex***: 2% sales charge, but can go down to 1% for investors with portfolios above $250,000. 20 free peer-to-peer per customer per quarter, for switch orders in the same sales charge tier. Allows payment using credit cards for a wide range of funds

Not quite a price war. Besides, price is just one aspect when it concerns unit trusts. Although it would not seem apparent to first time investors, the cost and ease of switching between funds becomes important when you need to rebalance your portfolio subsequently.