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More than half plan to ditch super funds

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DOUBLE-DIGIT superannuation losses have shaken investors' trust in fund managers, with more than half now planning to invest directly and many considering switching funds.

Research from Investment Trends found although sentiment towards investment markets was improving, trust in fund managers and other wealth management companies had deteriorated since November.

The 2009 Investor Sentiment and Communications Report revealed 54 per cent of investors "no longer trust fund managers and will invest directly in the future", an increase of 6 per cent from November. "The problem is that many investors blame financial services companies for creating the global financial crisis, and don't necessarily distinguish between greedy Wall Street investment bankers and local fund managers," Investment Trends principal Mark Johnston said.

The survey of 5600 investors, conducted in July, also found one in five super fund members no longer trusted their superannuation provider and 40 per cent of those people were either considering switching funds or had already decided to.

Last financial year was the worst on record for compulsory superannuation, recording a median loss of about 13 per cent.

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