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Super funds feeling backlash

ALMOST one in four superannuants are considering switching funds because of poor returns since the global financial crisis began last year, a survey has found.

The survey, of 5600 investors by independent researcher Investment Trends, also found 54 per cent of respondents no longer trusted their fund managers and would rather invest their savings themselves.

Investment Trends principal Mark Johnston said investors were blaming all financial service companies for their poor returns, rather than channelling the problem towards the Wall St investment banks which began the global financial crisis.

"The problem is that many investors don't necessarily distinguish between greedy Wall St investment bankers and local fund managers," he said.

Fifty-four per cent of investors preferred to invest directly, up from 48 per cent in November 2008. It also found 24 per cent of retail super fund members were looking to switch funds, up from 17 per cent in November.

Mr Johnston said the results reflected a loss of trust in the managed fund industry.

Investors older than 65 years distrusted investment managers the most (62 per cent).

Among industry super fund members, the proportion considering switching almost doubled to 15 per cent.