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Super switch is common

MELBOURNE — Almost one in four superannuants are considering switching funds because of poor returns since the global financial crisis began last year, a survey finds.

The survey, of 5600 investors by independent researcher Investment Trends, also found that 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 Street investment banks that began the global financial crisis.

“The problem is that many investors don’t necessarily distinguish between greedy Wall Street 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, the survey found.

The survey also found that 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), compared with 35 per cent of investors under 30 years.

Among industry super fund members, the proportion considering switching funds in July this year almost doubled to 15 per cent, compared with November 2008.

— AAP