

Super funds need to guide members: Investment Trends

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By **Elise Burgess** | In **Superannuation**

Superannuation funds need to offer guidance for their members with Investment Trends latest survey finding people want information from their funds to understand market volatility and how they should act.

The 2011 Investor Sentiment & Communications Report found super members are becoming more satisfied with their fund since they have responded to member concerns by ramping up external communications, but more is needed.

"Continued low returns are now having a real financial impact, so just keeping clients informed is no longer enough. Super fund members now want someone to tell them 'what do I do next?'" said Mark Johnston, principal, Investment Trends.

Members are now demanding a comprehensive solution of good information integrated with effective advice offerings, said Johnson.

"With the Future of Financial Advice reforms being introduced in July 2012, there is a real opportunity for providers to combine limited advice, full advice and good communications to help their members find a way forward."

The report also found investors have been living in a panic cycle since 2008 when the GFC prompted high levels of stress. Since that time, investors and members are quick to panic with ongoing volatility causing continual cycles similar to the 2008-panic level.

When comparing results of the annual survey of a total of 24,000 people over the last four years, Investment Trends identified that lack of confidence has continued since 2008 with retirees and investors with large portfolios, but those with lower incomes recording the most concern.

Meanwhile, the industry has responded with a spike in longevity and market risk products hitting the product market during this same time period.

The report surveyed over 9,000 Australian investors and super fund members between May and June 2011, then supplemented with additional information in August following the extreme volatility.

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