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Investors betrayed by fund managers

20 August 2009

Fund managers are failing to add any value to pension funds, leaving investors better off selecting index tracker funds, a survey has found.

According to data from campaigning consumer website www.howmuchdoineedtoire.co.uk, 86 per cent of pension fund managers are 'getting away with' charging [investors](#) for a consistent bad performance.

The research looked at every mainstream pension fund available to private/personal investors in the UK, then filtered the funds down by excluding any fund below £10 million and/or any fund that did not have at least a five year track record – leaving a total of 778 funds.

Matthew Morris, a director at the consumer website, says, 'When a pension [investor](#) hands their hard earned money to a fund manager to get them a return they must have an expectation that the manager will produce something more than they could achieve by doing the investing themselves, otherwise why bother? One may as well throw some darts at the dartboard and pick investments on that basis.'

Morris suggests that investors would undoubtedly be better following a strategy of not using funds and argues they would be better served throwing their money at randomly selected assets or, more viably, at 'index trackers of one sort or another'.



Pension fund managers are not holding up their side of the bargain

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Government urged to end UK pensioner poverty

28 July 2009
Shocking figures reveal the UK has the fourth-highest levels of poverty amongst over-65s in Europe.

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Top Ten Life Funds

Fund	Offer	1y	3y	5y
L&G Neptune Japan Opportunities	175.71	70.4	n/a	n/a
AXA Framlington Japan Smaller Companies	202.80	45.3	n/a	n/a
Phoenix SM Attica Japan	185.20	42.3	25.6	66.3
Zurich HSBC UK Growth & Income AL	208.50	35.1	37.4	90.9
Zurich Schroder Tokyo AL	151.40	31.9	14.7	39.2
AXA MLC Fidelity Special Situations	1.65	30.3	34.8	n/a
AXA Jupiter Financial Opportunities	257.10	28.8	20.8	n/a
Aviva Juptier				

