

2004 Australian Share Ownership Study



Background information



24 February 2005

Background

- 2004 ASX Australian Share Ownership Study (SOS) was conducted in 2 stages:
- Qualitative groups with share investors in September 2004 to ascertain current views of shares & investments (undertaken by arnold+bolingbroke)
- Telephone interviews in November with 2,402 people across Australia to track incidence of shareowners & profile existing direct investors (undertaken by Millward Brown)

Review of 2003/2002 Share Ownership Studies

- The 2003 study found that 51% of all adult Australians or 7.4 million people own shares – up from 50% in 2002.
- Further, of the adult population, 39% or 5.7 million Australians own and manage their own share portfolio. Corresponding figures for 2002 was 37%.
- The 2003 research showed that while new entrants were trickling into the market, there was an increase in share trading among existing share owners.
- On the whole the attitudes towards shares and the share market were found to be more positive (in 2003), reflecting the end of the bear market and an increase in the number of retail trades.
- The 2003 study inline with the 2002, confirmed four attitudinal segments for each direct share owners and non share owners respectively.

Methodology

Who?

- 18 years +
- Males / Females
- Sample : 2402

Where?

- **Nationally Representative Sample**
(The data weighted to ABS figures by age, state and gender)

When?

- **Between 15 November to 30th November**

How ?

- **Telephone Interviews**
- **Respondent identification – Most Recent Birthday**

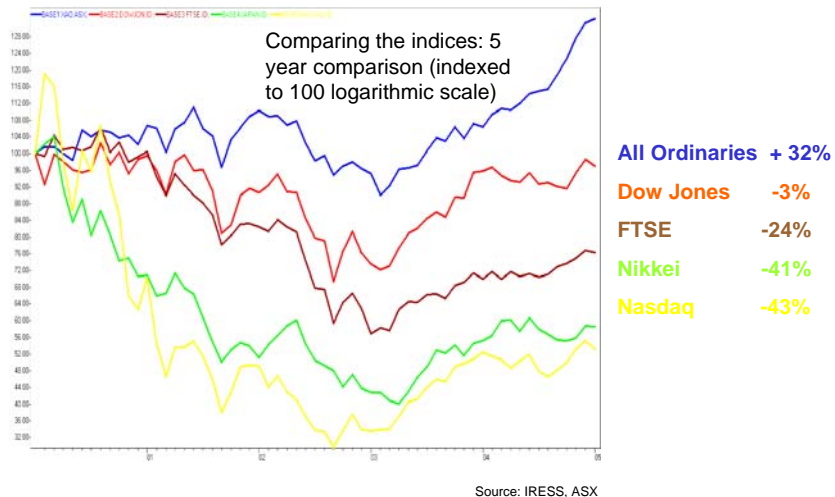
Methodology (cont.)

2004 ASX Australian Share Ownership Study was conducted in 3 stages, each of which builds on the previous:

- Qualitative groups with share investors in September 2004 to ascertain current views of shares & investments (undertaken by arnold+bolingbroke)
- Telephone interviews in November with 2,402 people across Australia to track incidence of shareowners & profile existing direct investors (undertaken by Millward Brown)
- Third stage currently underway is interviews with specific investors

This presentation highlights key findings from first 2 stages

ASX Performance 2000-2005



International Comparison

	98	99	00	01	02	03	04
Australia - Direct	32%	41%	40%	N/a	37%	39%	44%
Direct/Indirect	40%	54%	52%		50%	51%	55%
USA – Direct/Indirect	49%	48%	N/a	52%	50%	N/a	N/a
Canada - Shares/Funds	N/a	N/a	49%	N/a	46%	N/a	49%
Switzerland – Shares	N/a	N/a	32%	N/a	24%	N/a	20%
Shares/funds			34%		25%		21%
Germany - Shares	7%	8%	10%	9%	8% 18%	8%	7%
Shares/Funds	11%	13%	19%	20%		17%	16%
UK - Stocks/shares	24%	25%	25%	24%	22%	N/a	N/a
Hong Kong -Shares	N/a	16%	21%	20%	20%	18%	24%
Korea - Stocks	7%	9%	9%	8%	8%	8%	N/a

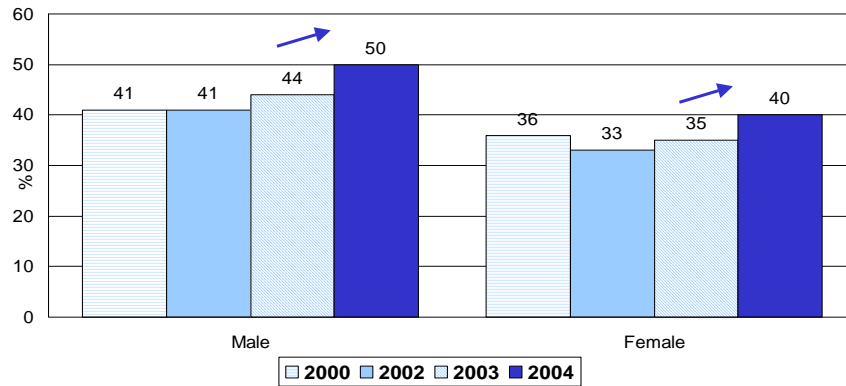
NB: Studies not directly comparable due to different data collection methods & definitions. USA study based on households, others studies are based on individuals.

Demographic profile

- Males are still more likely than females to own shares. Half the male population own shares directly (40% of females)
- Share ownership increased across all age groups, especially those aged 55 years plus (56%)
- Increasingly share ownership is being found among middle Australians – no longer just the terrain of the high income earner & tertiary qualified
- Incidence of direct share ownership is just as likely in regional Australia as in metropolitan Australia (45% & 44% respectively)
- Ownership increased across all States

Direct Share Ownership – Gender

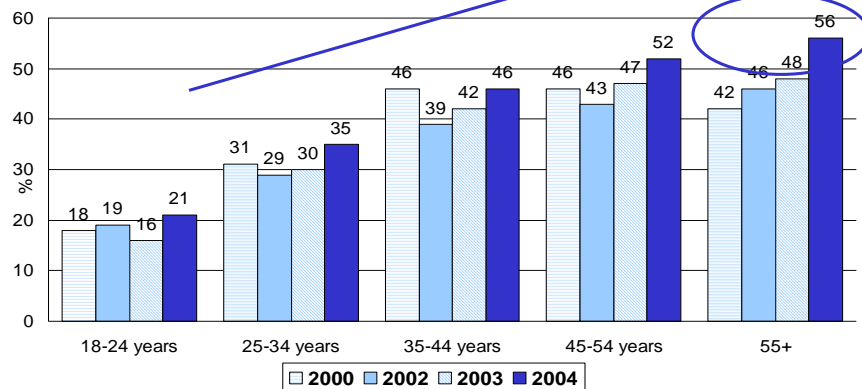
% of males & females that own shares directly



Base: All Australian adults aged 18 years + (2000 n=1200, 2002 n=2401, 2003 n=2402, 2004 n=2402)

Direct Share Ownership – Age

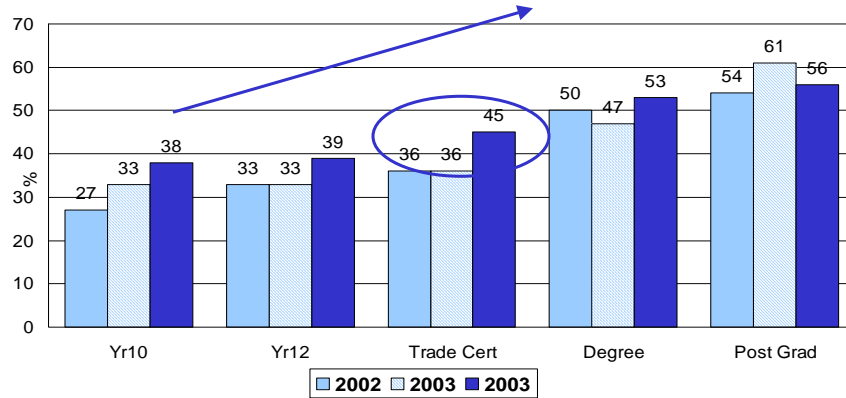
% of each age group that own shares directly



Base: All Australian adults aged 18 years + (2000 n=1200, 2002 n=2401, 2003 n=2402, 2004 n=2402)

Direct Share Ownership – Education

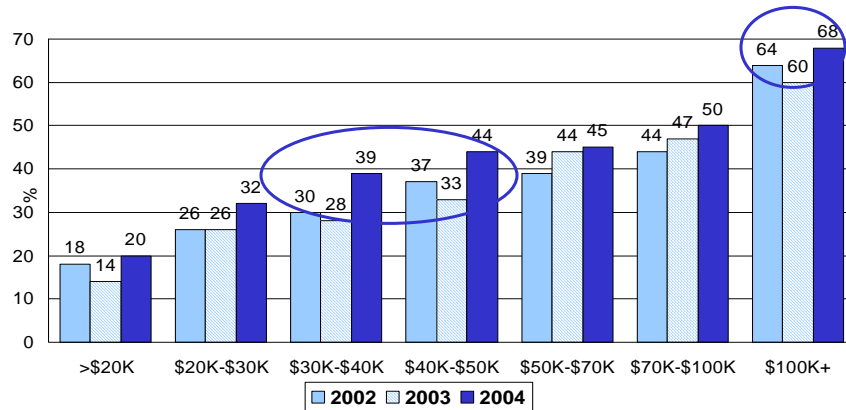
% of each that own shares directly



Base: All Australian adults aged 18 years + (2002 n=2401, 2003 n=2402, 2004 n=2402)

Direct Share Ownership – Income

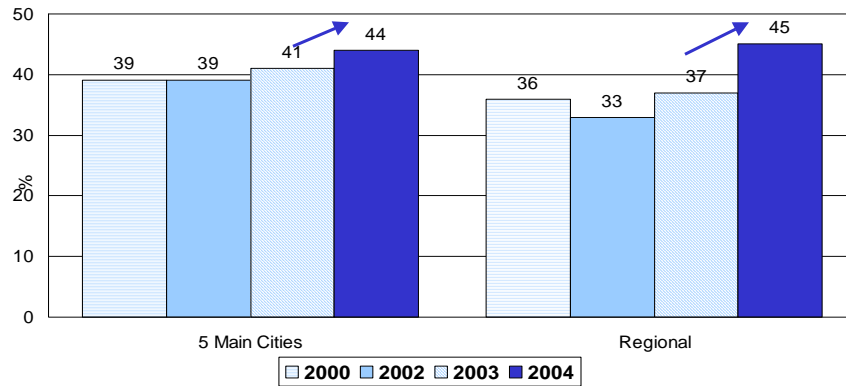
% of each that own shares directly



Base: All Australian adults aged 18 years + (2002 n=2401, 2003 n=2402, 2004 n=2402)

Direct Share Ownership – Area

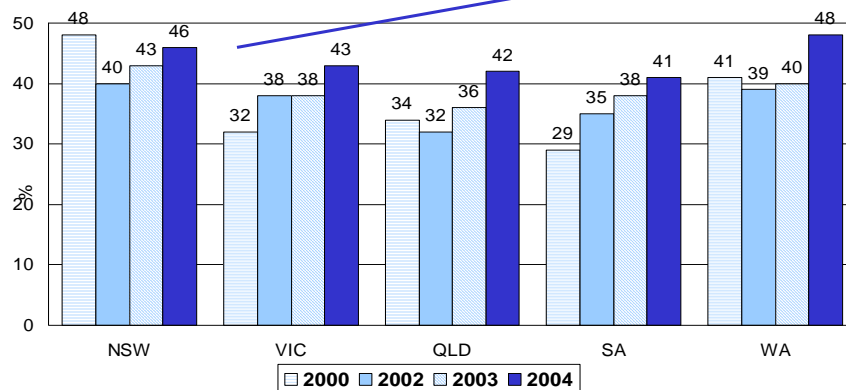
% that own shares directly



Base: All Australian adults aged 18 years + (2000 n=1200, 2002 n=2401, 2003 n=2402, 2004 n=2402)

Direct Share Ownership – State

% of each State that own shares directly



Base: All Australian adults aged 18 years + (2000 n=1200, 2002 n=2401, 2003 n=2402, 2004 n=2402)

Activity Summary

Average Number of Companies

6

Have Direct Investments = 44%
Compared to 2003, average number of companies held fell from 7 to 6

Number of Trades in Last Year

7

Average number of trades per year increased from 6 to 7

Average Value of Trades

\$11,150

With average dollar value of trades increasing marginally from \$10,650 (+4%)

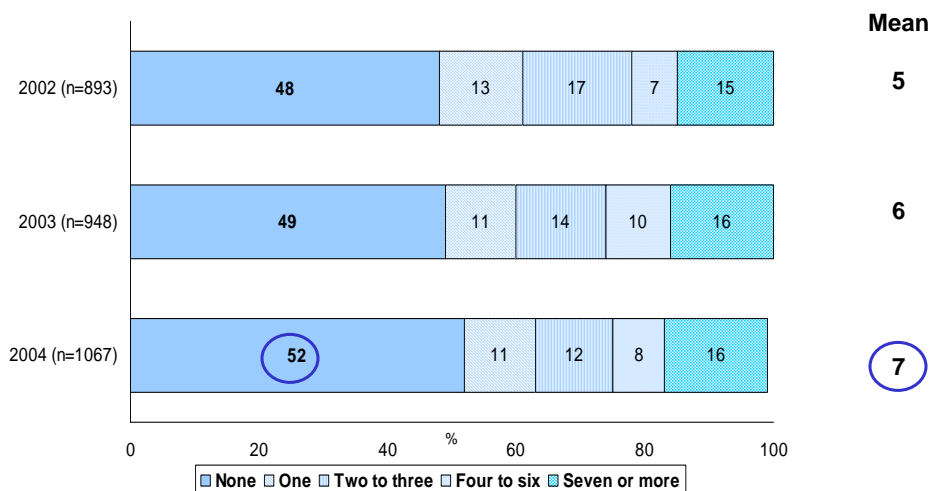
Average Value Invested

\$41,400

and average dollar value invested being relatively stable increasing from \$40,800 (+1%)

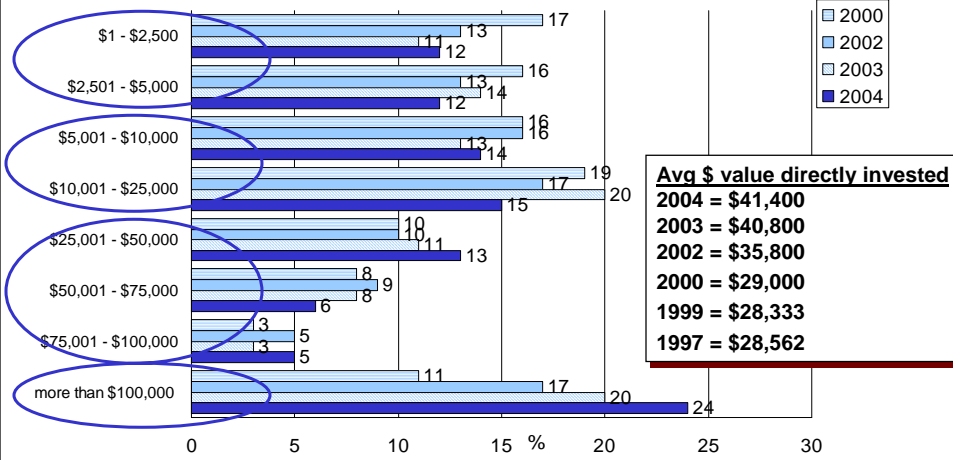
Trading Activity

Number of times bought or sold direct investments in last 12 Months



Value of Direct Investments in Share Market

Amount of money invested in direct investments

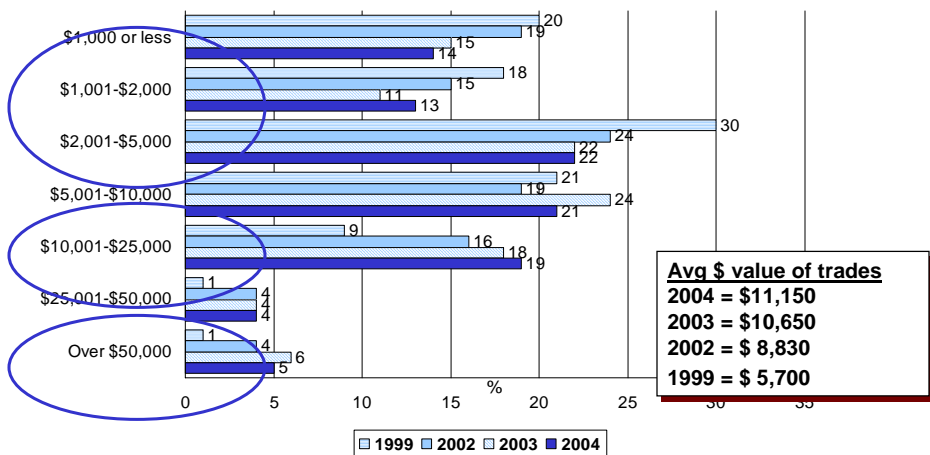


Avg \$ value directly invested
 2004 = \$41,400
 2003 = \$40,800
 2002 = \$35,800
 2000 = \$29,000
 1999 = \$28,333
 1997 = \$28,562

Note: Don't know removed
 Base: All direct shareholders (2000 n=312, 2002 n=688, 2003 n=642, 2004 n=827)

Avg \$ value of trading activity

Average dollar value of share parcels bought or sold in last 12 months

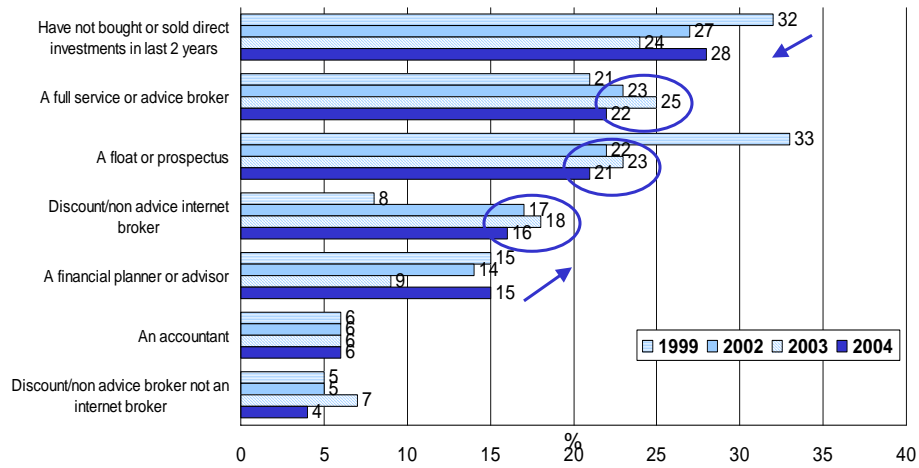


Avg \$ value of trades
 2004 = \$11,150
 2003 = \$10,650
 2002 = \$ 8,830
 1999 = \$ 5,700

Note: Don't know removed
 Base: All direct shareholders who have bought/sold shares in the past 12 months,
 (1999 n=273, 2002 n=363, 2003 n=466, 2004 n=498)

Direct Investments – how acquired

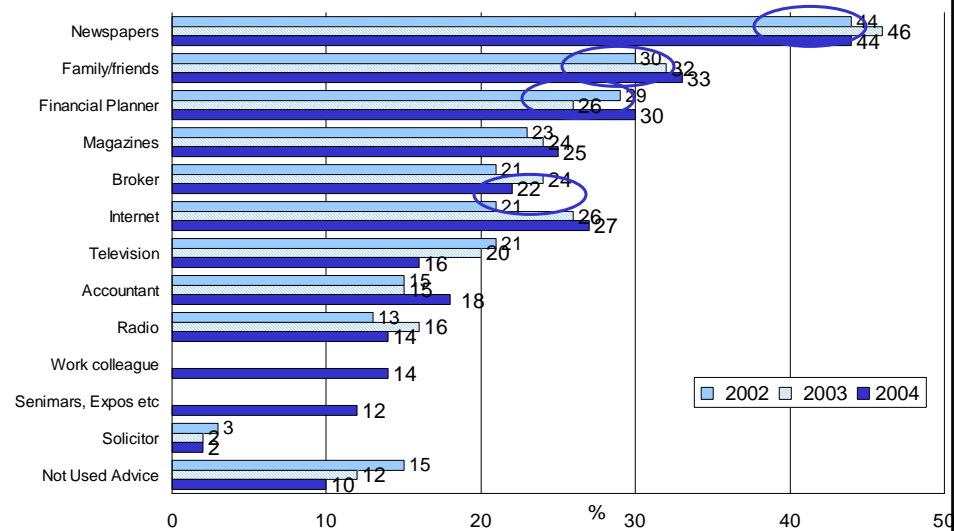
How directs investment acquired in past two years



Base: Have direct Investments (1999 n=523, 2002 n=893, 2003 n=948, 2004 n=1067)

Sources of advice

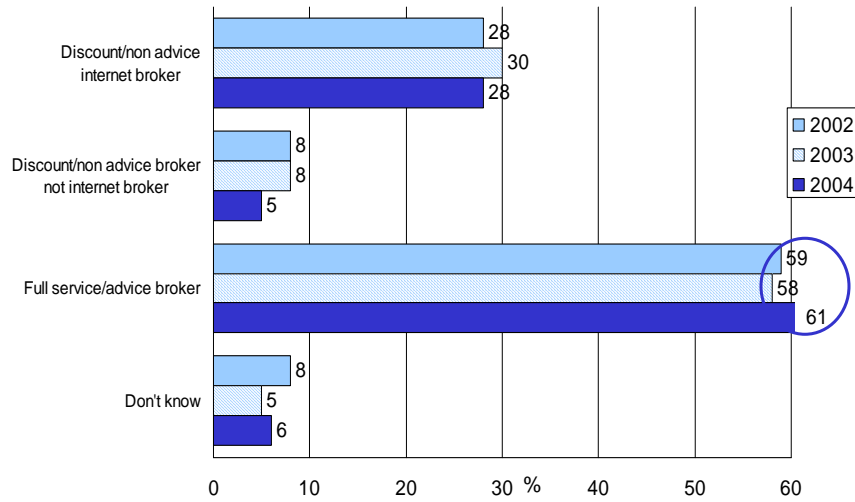
Sources used in last 12 months to obtain advice/information about shares



Base: Have direct Investments (2002 n=893, 2003 n=948, 2004 n=1067)

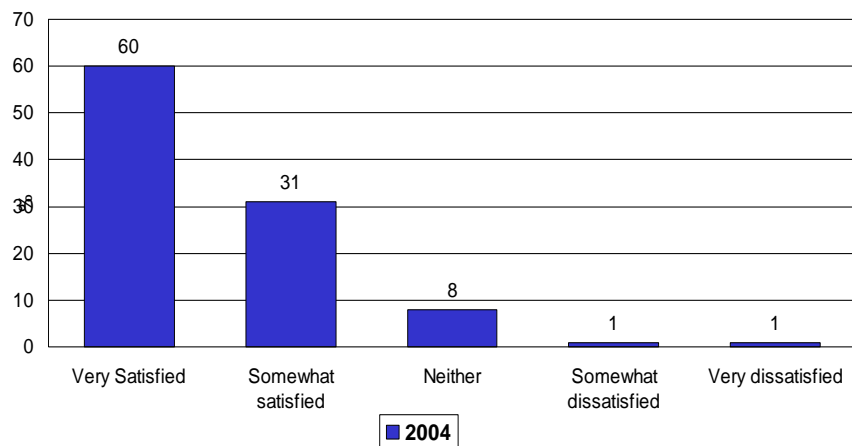
Type of Main Broker

Type of main broker currently use



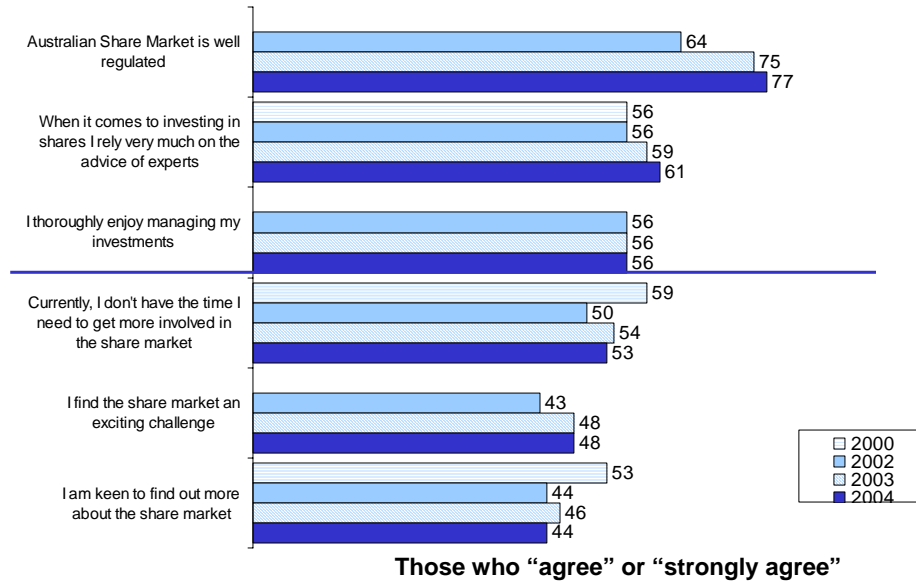
Base: Those having a current broker 2002 (n=563); 2003 (n=565); 2004 (n=597)

Satisfaction with Brokers ...



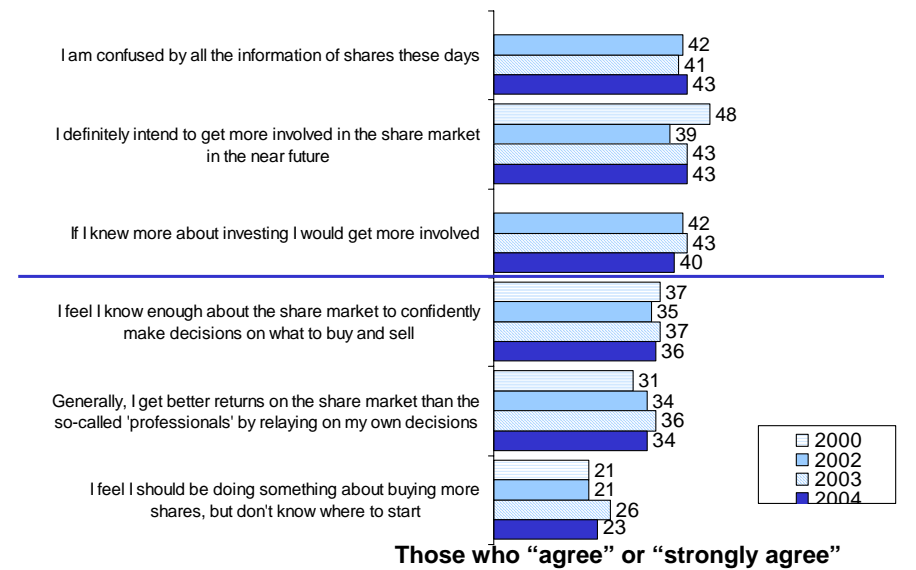
Base: Those having a current broker 2004 (n=597)

Consistent Attitudes to Investments



Base: Have direct Investments 2000 (n=523); 2002 (n=893), 2003 (n=948), 2004 (n=1067)

Consistent Attitudes to Investments



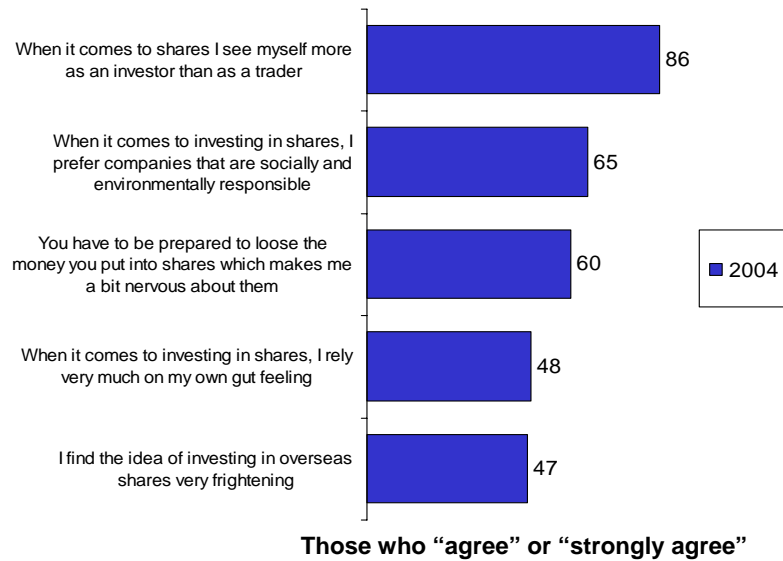
Base: Have direct Investments 2000 (n=523); 2002 (n=893), 2003 (n=948), 2004 (n=1067)

Changing Attitudes to Investments



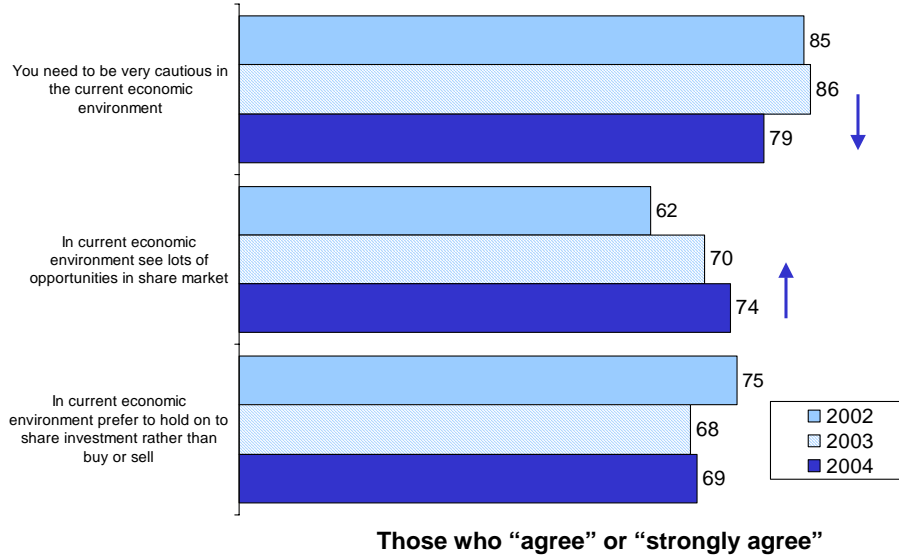
Base: Have direct Investments 2000 (n=523); 2002 (n=893), 2003 (n=948), 2004 (n=1067)

New Attitudes to Investments



Base: Have direct Investments 2000 (n=523); 2002 (n=893), 2003 (n=948), 2004 (n=1067)

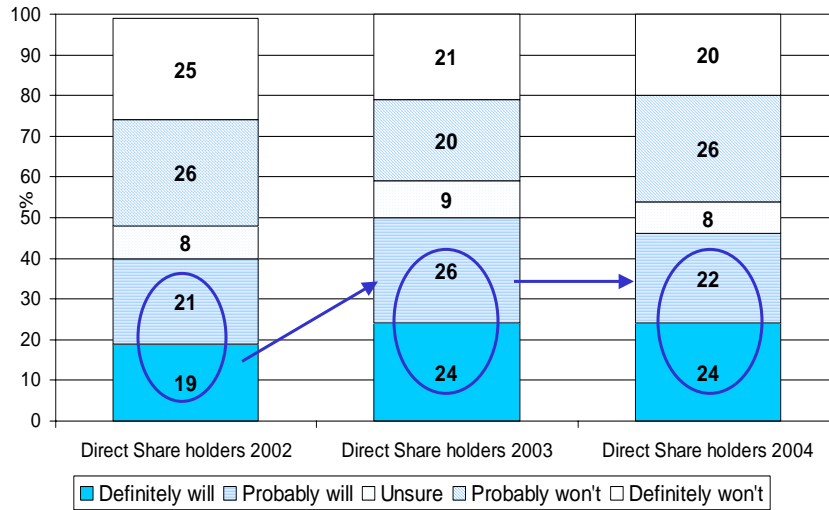
Buying & Selling of Shares



Base: Have direct Investments 2000 (n=523); 2002 (n=893), 2003 (n=948), 2004 (n=1067)

Future Intentions

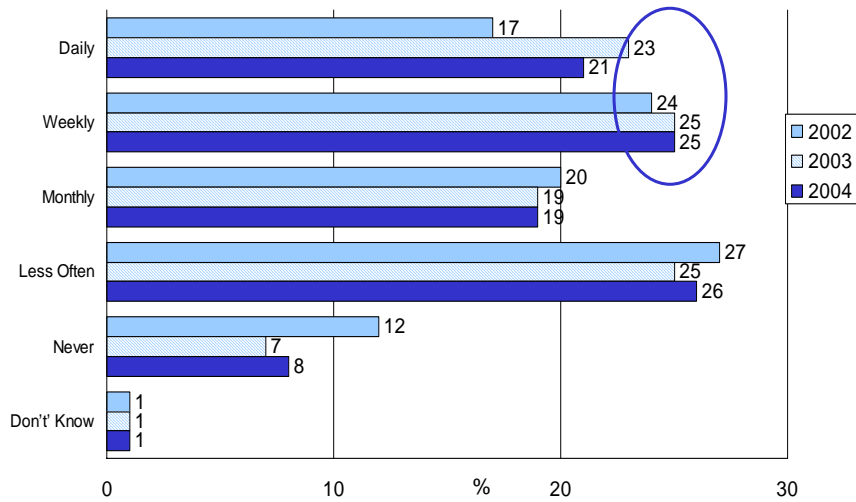
Likelihood of buying shares in next 12 months



Base: direct share holders (2002 n= 893, 2003 n=948, 2004 n=1067)

Frequency of Monitoring

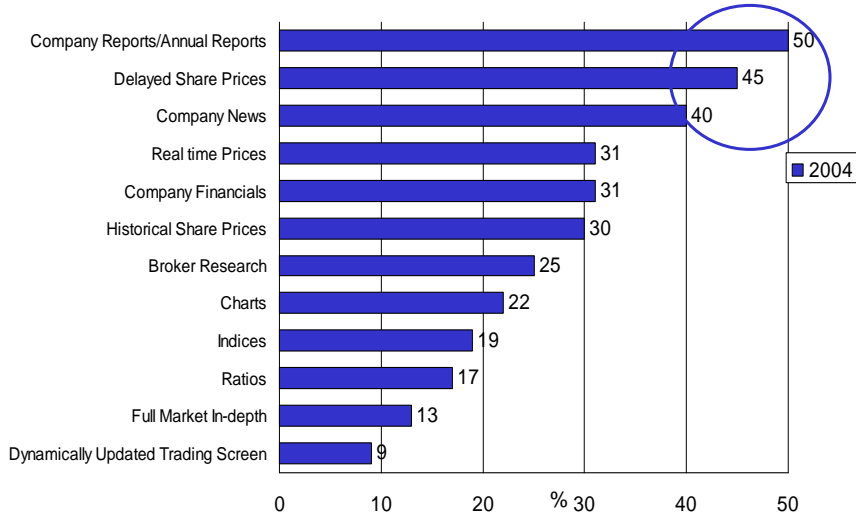
Frequency of monitoring shares & investment



Base: Have direct Investments (2002 n=893, 2003 n=948, 2004 n=1067)

Monitoring Shares & Investments

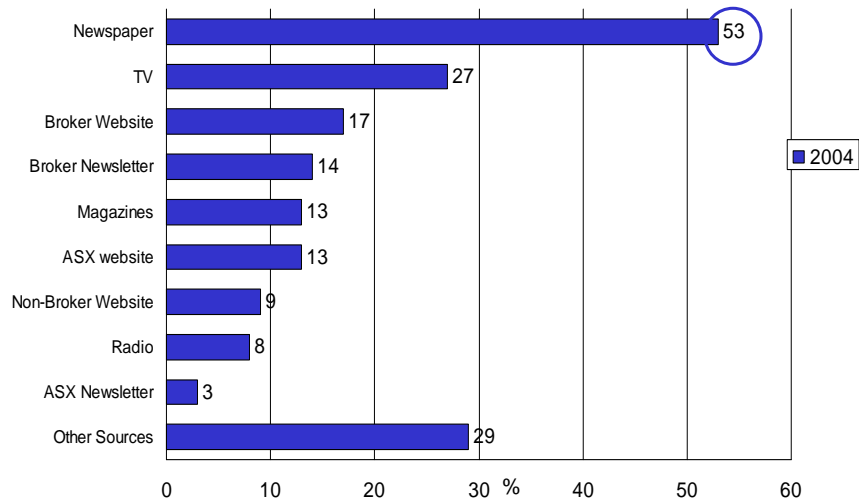
Type of information used



Base: Have direct Investments and monitor them (2004 n=970)

Monitoring Shares & Investments

Sources of information used



Base: Have direct Investments and monitor them (2004 n=970)