



**ASX**

AUSTRALIAN STOCK EXCHANGE

# Shareownership Update

November 2000

# The shareownership study methodology

## Sample

- Conducted nationally among 1,200 respondents aged 18 years and over
- Random, representative sample

## Interviewing

- Conducted by telephone over the period of 10-12 November 2000

## Weighting

- To reflect the population distribution, results were post-weighted to Australian Bureau of Statistics data on age, age left school, sex and area



# Incidence of shareownership

**The overall level of shareownership among Australian adults has remained stable over the last 12 months, with:**

- 52% total shareownership (54% in 1999)
- 40% of adults having direct ownership of shares (compared to 41% in 1999)

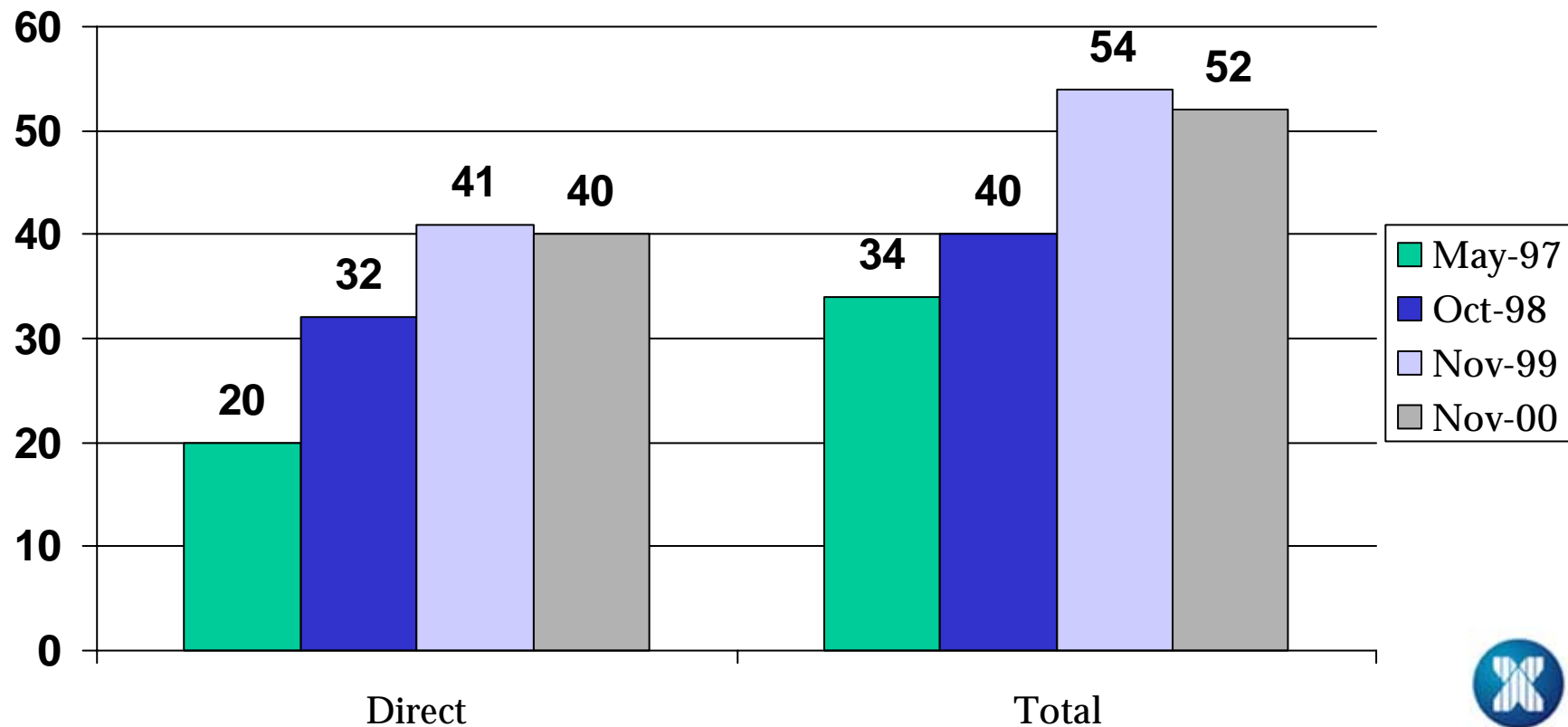
**Based on a population of 14.2 million adults covered by the survey, the Australia-wide numbers of shareowners are:**

- 7.4 million adults have either direct and / or indirect shareownership (7.6 million at close of 1999)
- 5.7 million adults with direct shareownership (same as in 1999)



# Direct shareownership - overview

Shareownership has remained stable over the past 12 months

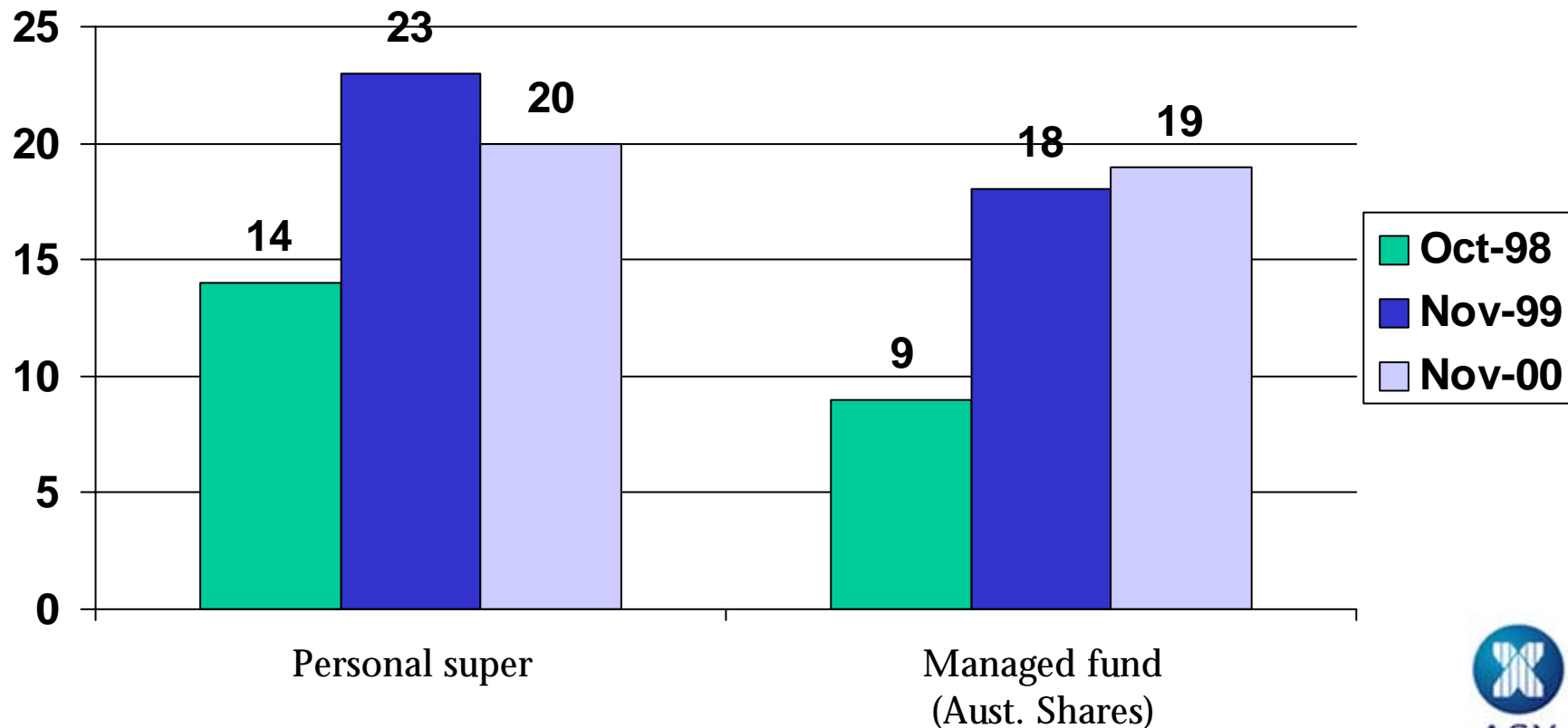


Base: All Australian adults aged 18years + (n= 2400, n= 1200, n= 1213, n= 1200)



# Indirect shareownership - overview

Indirect shareownership has also remained stable over the past 12 months



Base: All Australian adults aged 18 years+ (n= 1200, n= 1213, n= 1200)



# Changes in the shareownership pool

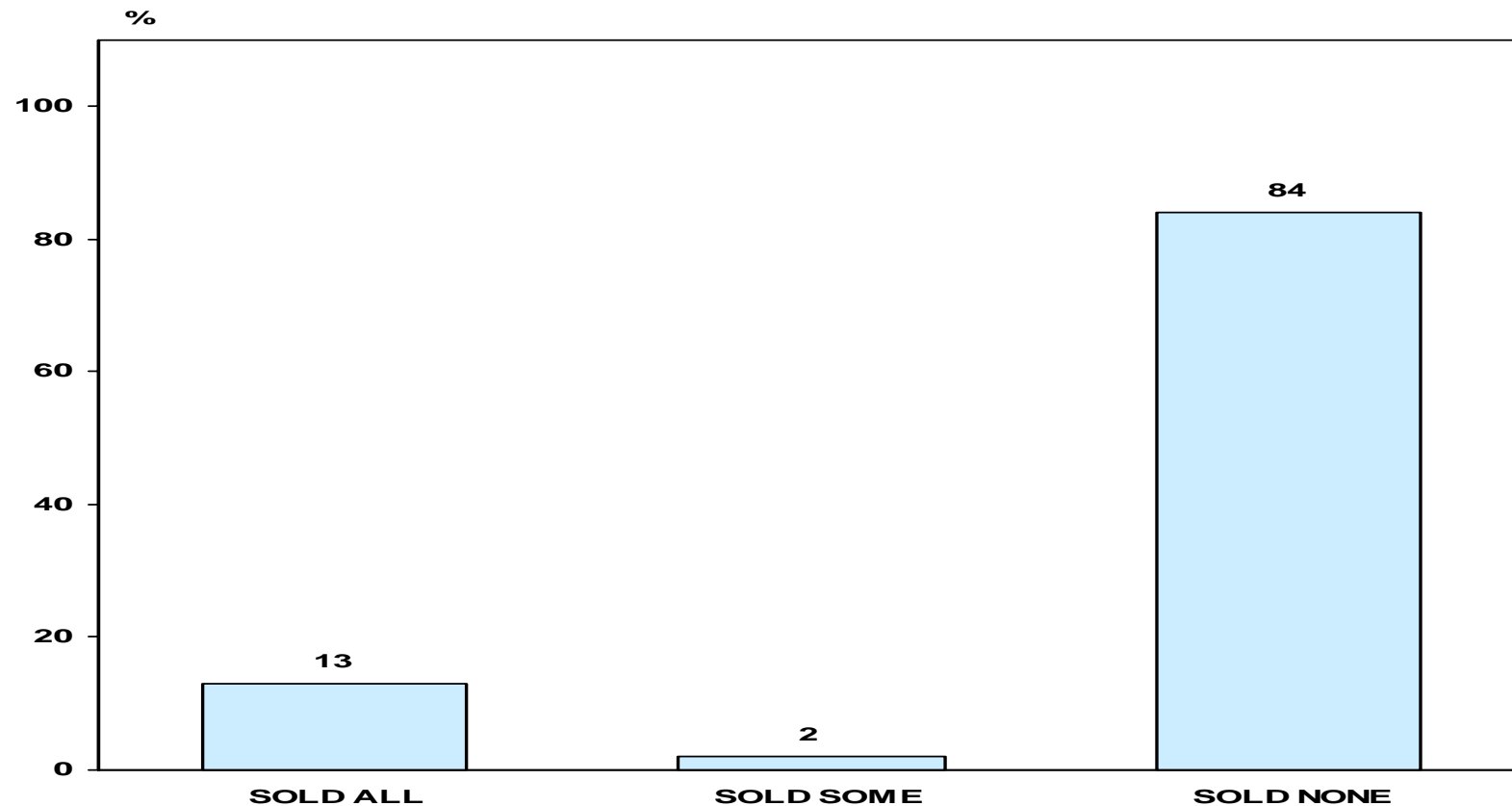
**Although the overall level of shareownership has remained stable, there has been significant 'churn' or turnover in the direct shareownership market**

## New shareowners entering the market

- 11% of direct shareowners (approx. 600,000) said they had become shareowners for the first time in the past 12 months
- ASX estimates that up to 500,000 of these came in to the market as a result of the NRMA demutualisation (approximately 1.6 million people participated in the offer)
- A similar number divested out of their equities portfolio in that period

# NRMA

The majority of investors who received NRMA shares have kept all their shares



BASE: ADULTS AGED 18+ NATIONALLY (n= 1200); THOSE THAT RECEIVED NRMA SHARES (n= 173)



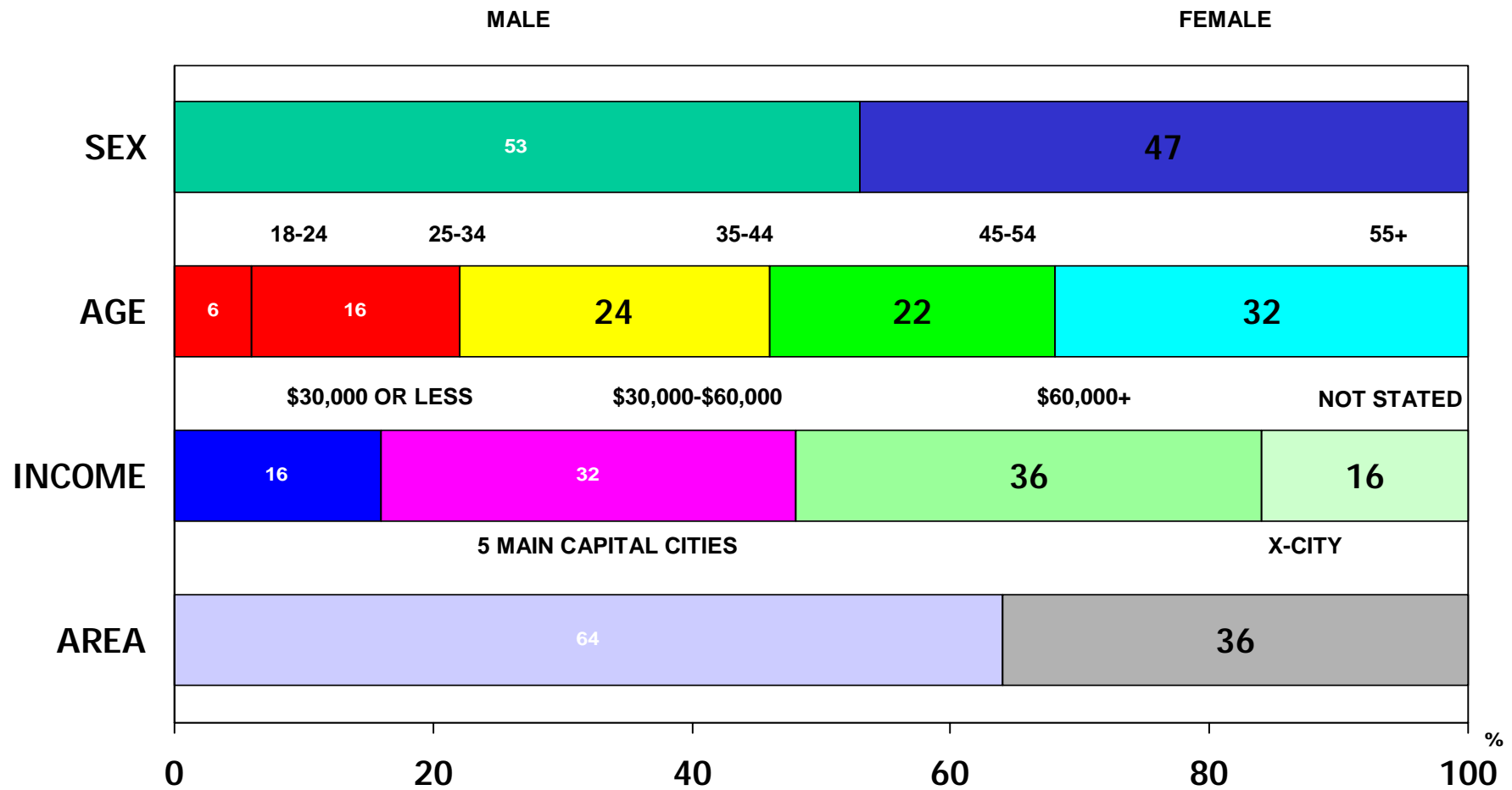
# Demographics - sex

## Women now account for almost half the retail direct shareownership market

- Women: account for 47% of direct shareowners
  - incidence of direct shareownership among women is 36% (same as in 1999)
- Men: 53% of direct shareowners
  - incidence of direct shareownership among men is 41% (slightly less than the 1999 incidence of 45%)

# Demographics - overview

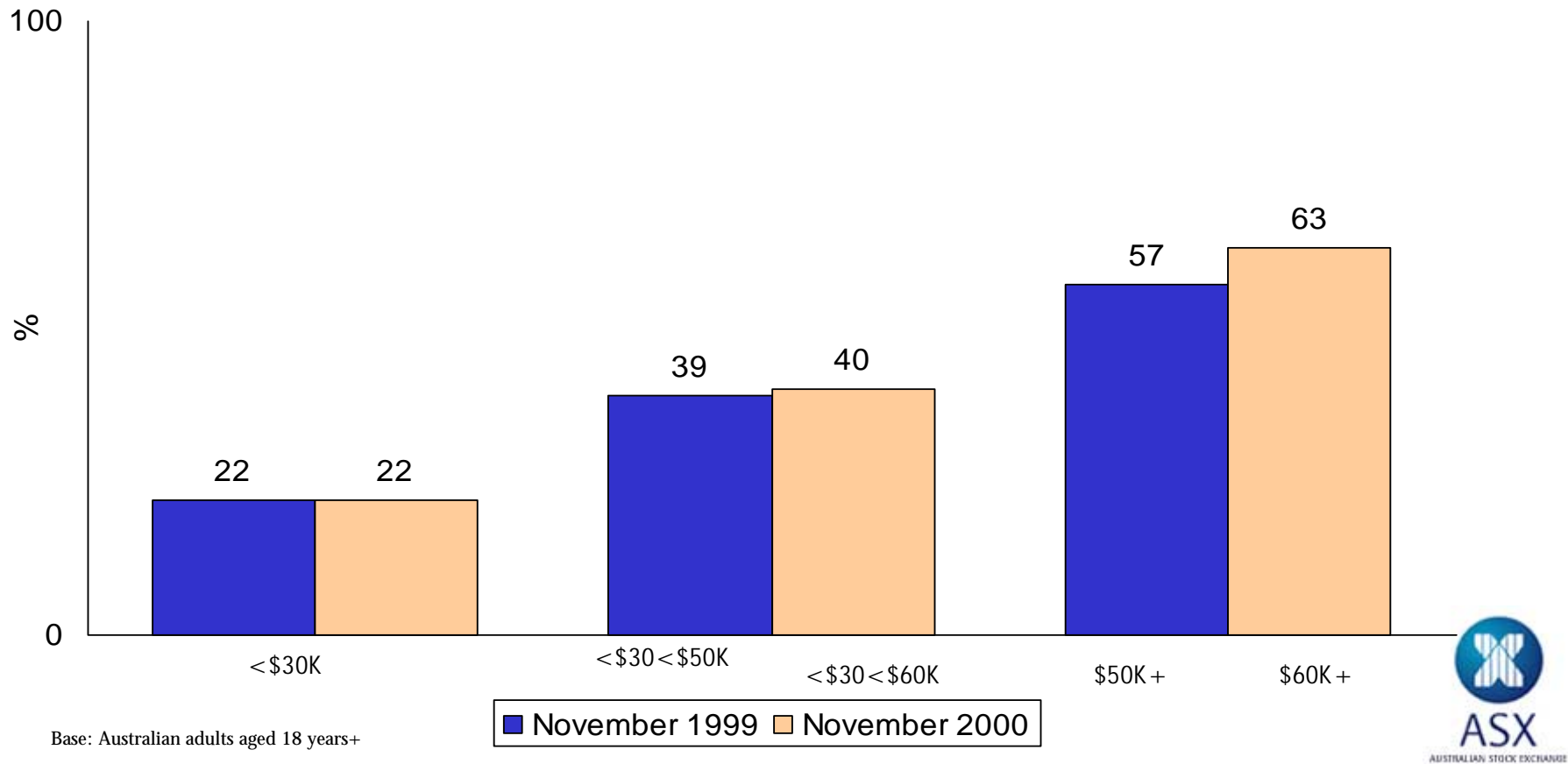
## Direct investment ownership



BASE: DIRECT INVESTMENT OWNERS (n= 496)

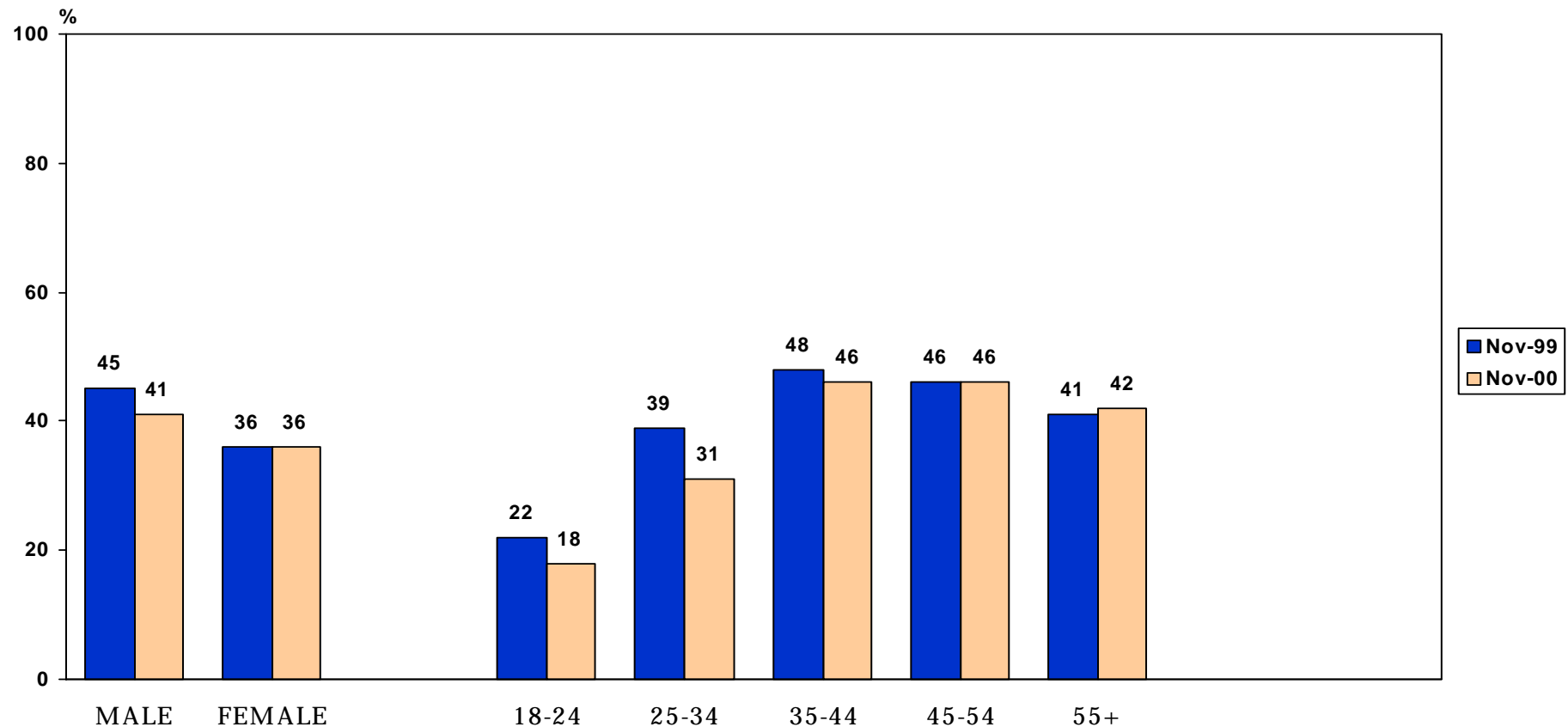
# Demographics - income

Direct shareownership has remained relatively stable across income groups



# Demographics - age

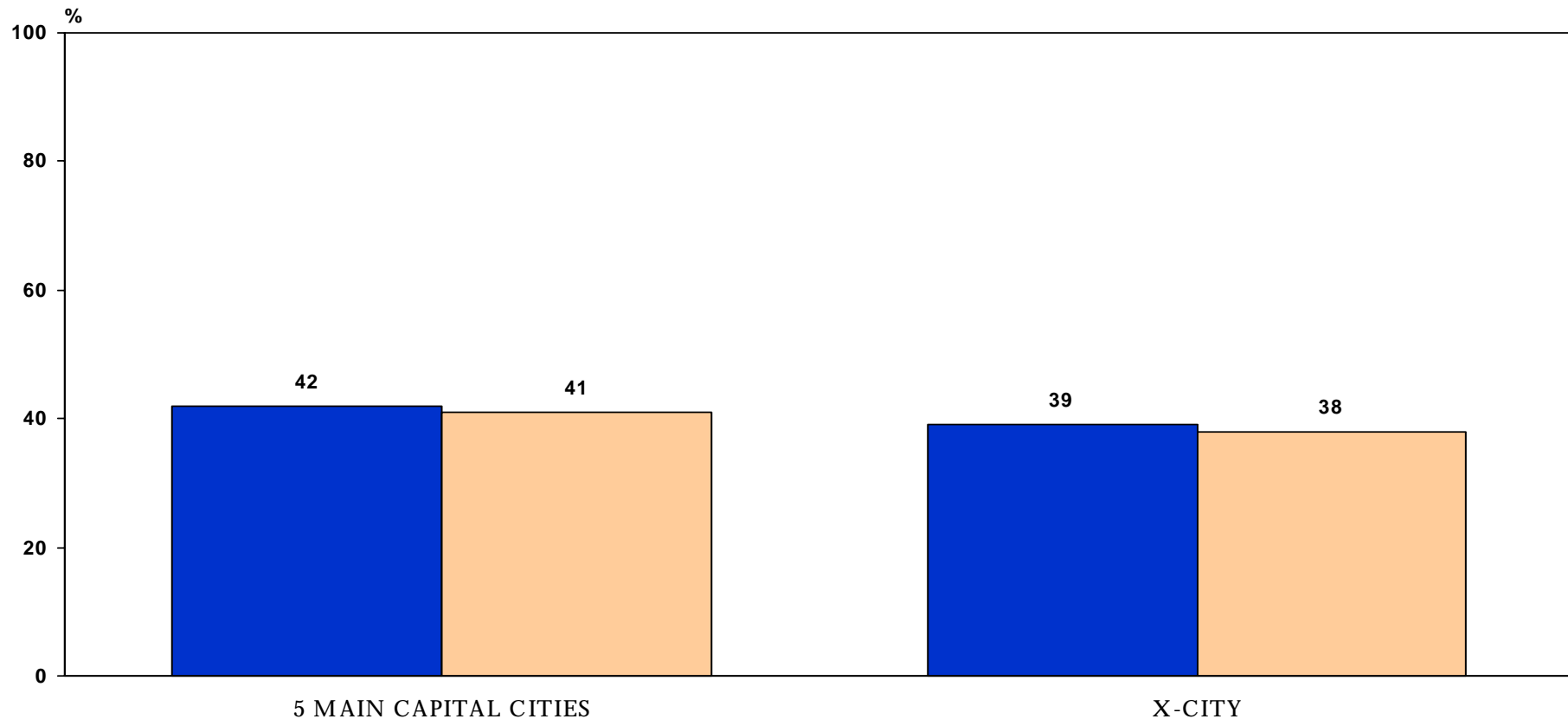
The incidence of direct shareownership has fallen among adults aged below 35 years



BASE: SEX: MALES, FEMALES (n= 600, 600); AGE: 18-24, 25-34, 35-44, 45-54, 55+ (n= 106, 211, 288, 249, 346)  
INCOME: \$30,000 OR LESS, \$30,000-\$60,000, \$60,000 OR MORE (n= 328, 368, 290)

# Demographics - area

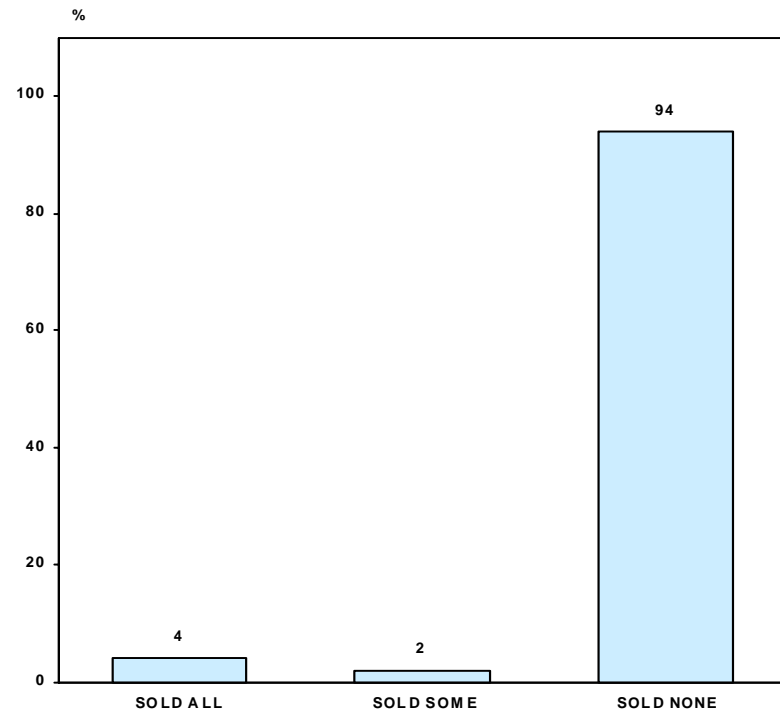
The incidence of direct shareownership is similar in both metro and regional areas



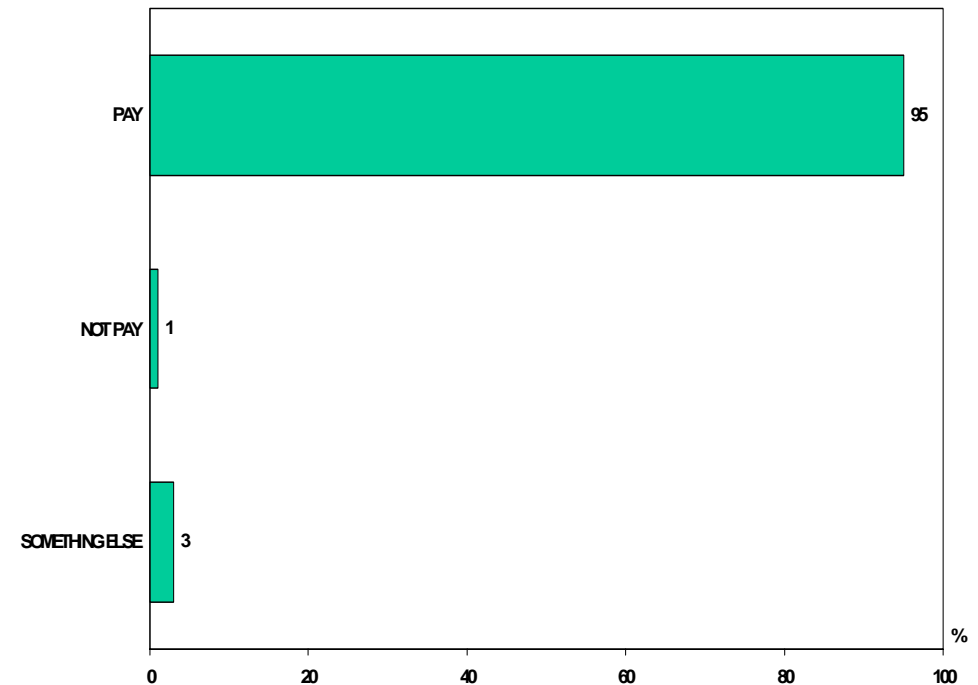
BASE: AREA: 5 CAPITAL CITIES, X-CITY, NSW, VIC, QLD, SA, WA, TAS (n= 700, 500, 350, 300, 200, 150, 150, 50)

# Telstra 2

The majority of investors that participated in the T2 share float have not sold their shares - virtually all T2 shareholders paid the second instalment on their shares



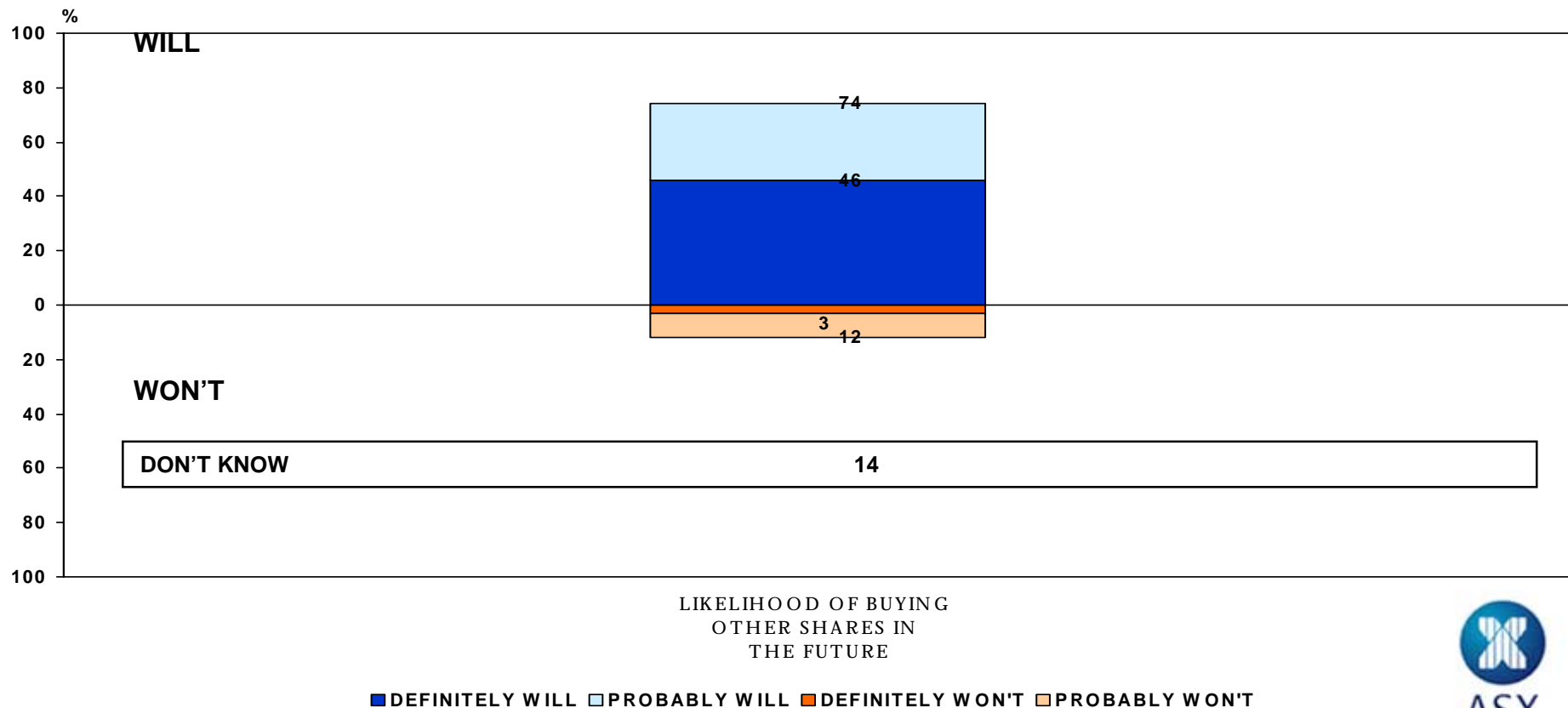
BASE: ADULTS AGED 18+ NATIONALLY (n= 1200); THOSE THAT BOUGHT T2 SHARES (n= 147)



BASE: BOUGHT SHARES IN T2 (n= 147)

# Telstra 2

The majority of T2 shareowners indicated that they will participate in the sharemarket in future



BASE: BOUGHT T2 SHARES (n= 147)



# Shareownership behaviour

## **A large proportion of Australian direct shareowners have received their shares via major floats**

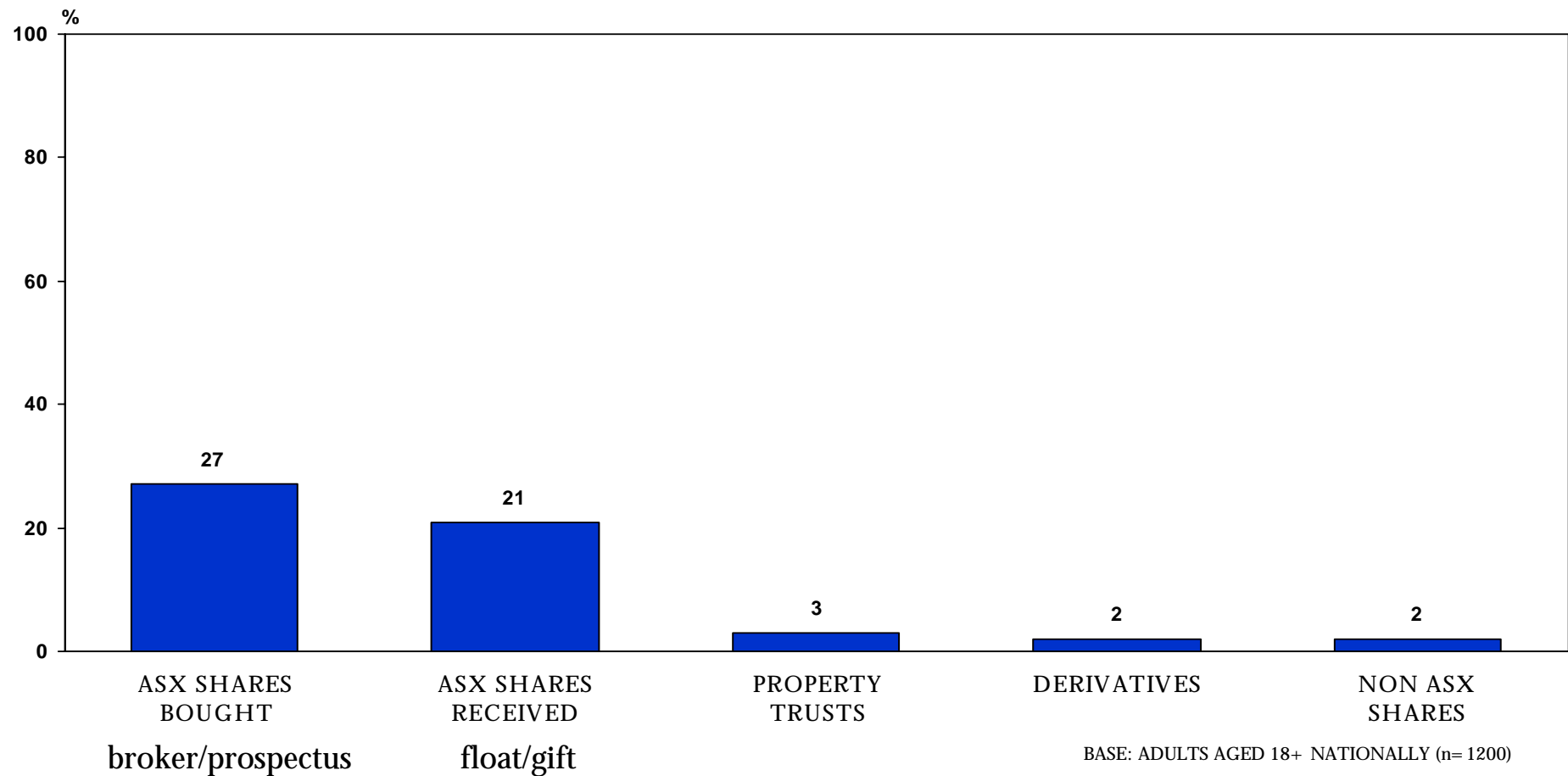
- 40% of adult Australians directly own shares, however they remain relatively passive investors
- 21% of Australians have received shares via floats / gifts etc

## **Half of all direct shareowners**

- Have only 1 or 2 stocks in their portfolio
- Have not traded in the past 12 months

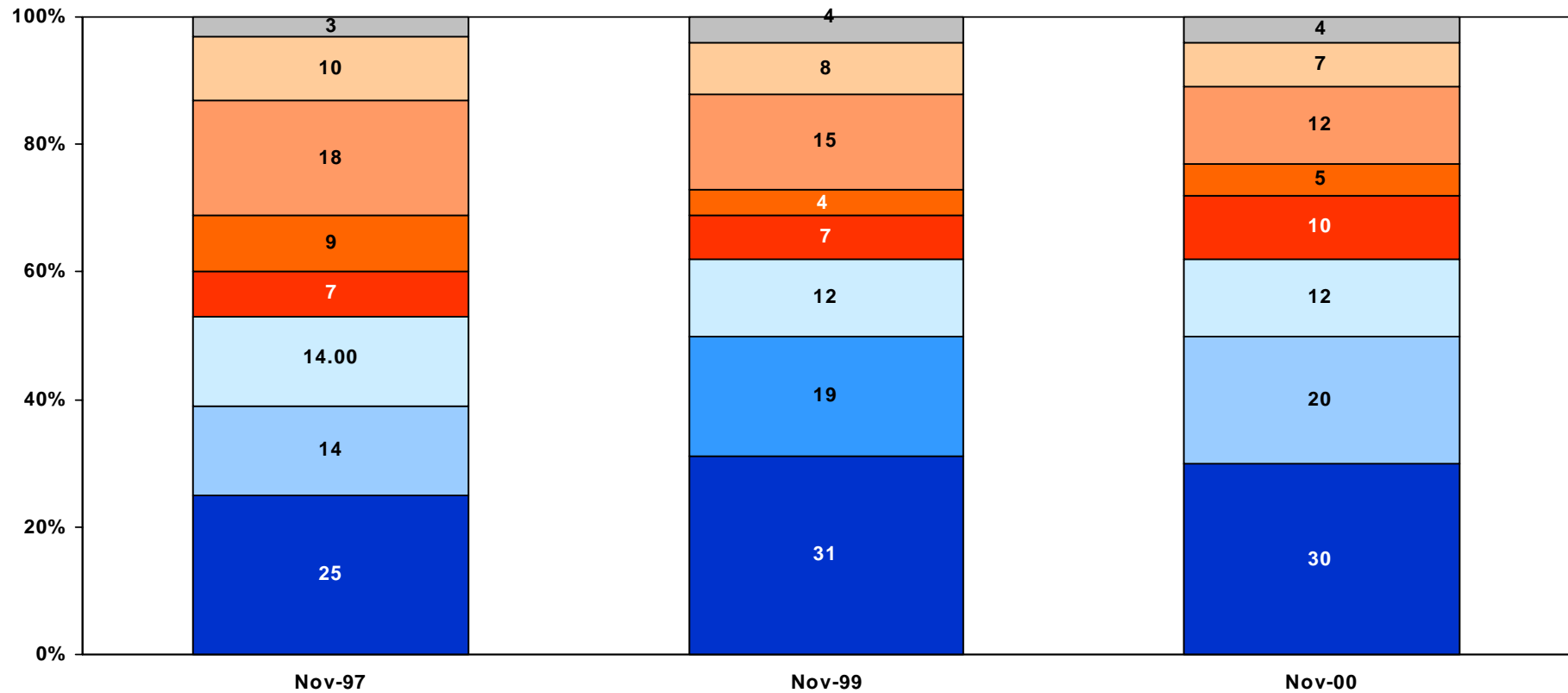
# Floats

A large proportion of direct shareowners have received their shares via floats



# Number of stocks in portfolio

Half of all direct shareowners continue to have only 1 or 2 stocks in their portfolio

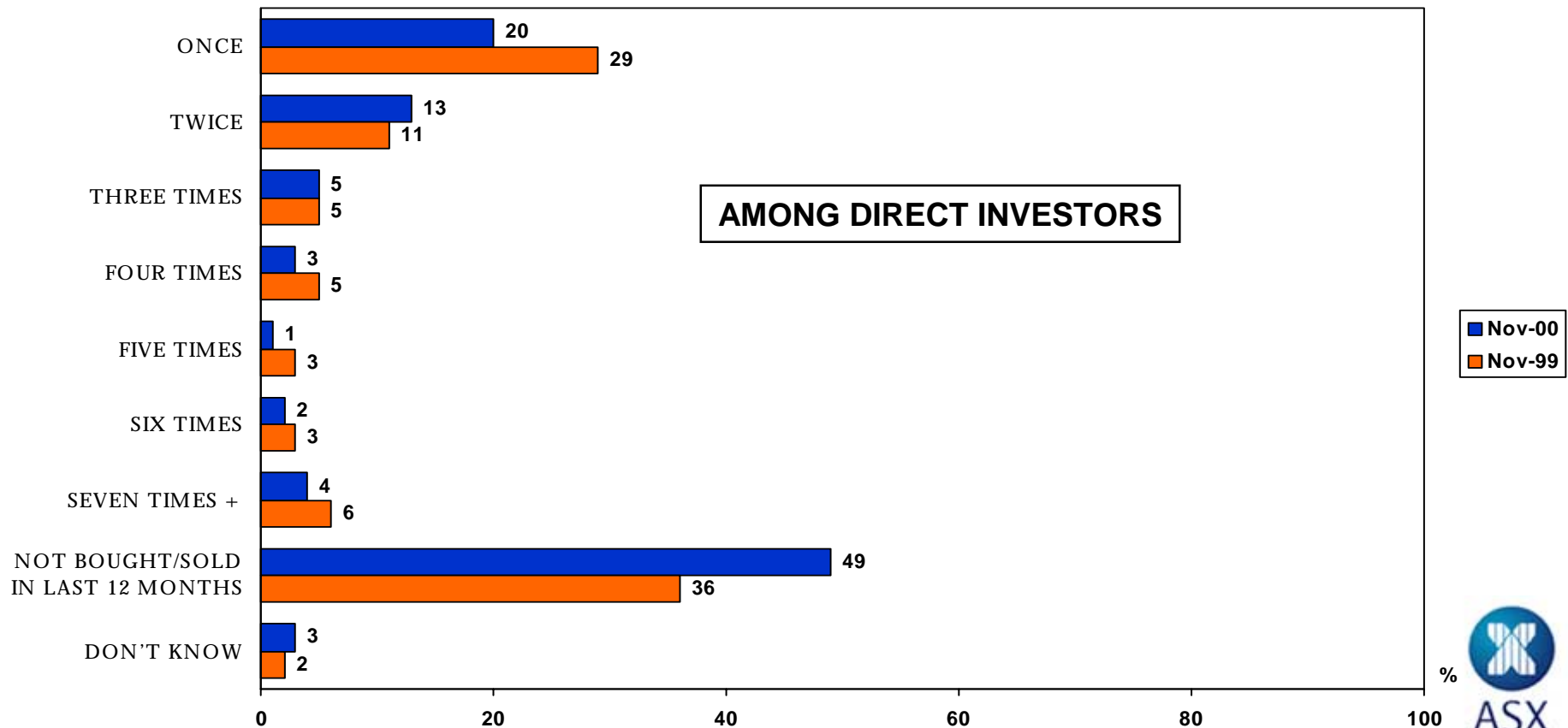


BASE: DIRECT INVESTMENT OWNERS (n= 496)

■ 1 ■ 2 ■ 3 ■ 4 ■ 5 ■ 6 TO 10 ■ 11+ ■ DON'T KNOW □

# Frequency of trading

Half of retail investors have not bought/sold shares in the last 12 months



BASE: DIRECT INVESTMENT OWNERS (n= 496)

# Conclusions - 2000 Update

- Overall, incidence of total shareownership and direct shareownership has remained stable over the past 12 months
- However, the pool of investors that existed at the end of 1999 is not the same pool as at the end of 2000
- There has been a turnover in the past 12 months of approximately 10%
- The majority of new direct investors have come into the market via the demutualisation of NRMA

