

Media Release

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Australian investors adapt to challenging market conditions

Over 9 million Australians hold investments outside their home and super, with 6.6 million directly holding exchange-listed investments, according to the **ASX Australian Investor Study 2020** released today.

Dominic Stevens, ASX Managing Director and CEO, said that the 2020 study comes at a historic time as investors respond to the challenges from the COVID pandemic.

“Since 1986, the ASX Australian Investor Study has provided an authoritative guide to the evolution of our markets and changing investor behaviour,” Mr Stevens said.

“This year’s study is particularly interesting as in addition to the main study, we conducted a mini pulse survey when COVID-19 hit. It’s a unique opportunity to test the market during a crisis.”

The extreme volatility and sudden decline in asset values caused by the pandemic has had a significant impact on investors.

Twenty-two per cent of investors aged between 35 and 64 say they will delay their retirement as a result of recent market performance, and 54 per cent of investors have made changes to their portfolios over the three months prior to May 2020.

When respondents were asked about the effects of COVID on their investment priorities, sustainability of dividends (36 per cent) and diversification (31 per cent) ranked highest in order of priority.

The majority of current investors intend to make new investments in the coming year. Of those planning to invest further, 57 per cent have indicated that they will invest in Australian shares and 28 per cent in ETFs.

The finding of a rise in market activity may point to a risk, highlighted by the Australian Securities and Investments Commission recently, that some retail investors may be engaged in short-term speculation rather than long-term investment.

“However, it was pleasing to see that the study found that many investors have responded to the crisis by becoming more focused on diversification and risk management, together with the sustainability of returns,” Mr Stevens said.

“There’s a greater focus on building portfolios with long-term goals in mind.”

The study has found a measurable shift in investor demographics, with a growing number of women and younger Australians actively investing; a trend that looks set to accelerate.

Among intending investors (non-investors planning to begin within 12 months), 51 per cent are female and 27 per cent are under 25 years old.



“The next generation of investors are actively engaged and eager to learn, with many already looking to use a range of investment products beyond shares, in particular ETFs for accessible diversification,” Mr Stevens said.

“The future of Australian investing looks promising, with a greater number of younger Australians seeking to lay the foundations for their own financial security.”

The ASX Australian Investor Study 2020 can be accessed here: www2.asx.com.au/AustralianInvestorStudy

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