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consulting

Investor Sentiment Report

A Quarterly Study Of Consumer Sentiment

Prepared by Coredata

Background

- CoreData's Investor Sentiment Index is a key measure of investor sentiment for the financial services industry, providing banks, super funds, fund managers and other institutions with a gauge of consumer attitudes towards investing over consecutive quarterly periods.
- The index has been calculated each quarter since December 2004. The result is a robust and detailed library of data, enabling the purchaser to determine the current mood of investors across asset classes, financial security and business and economic outlook.
- The investor confidence index is derived from collating several layers of sentiment from respondents.
- The CoreData Investor Sentiment Index is a powerful lead indicator of domestic equity markets and is a useful tool for institutions to tailor their investor communications.

Methodology

- CoreData conducts a quarterly online survey of a range of Australian investors.
- The CoreData ISI is a key measure of investor sentiment for the industry, providing comparisons to the previous quarters' results and signaling future investor intentions.
- The CoreData ISI is calculated by weighting responses to the following questions (please note the weightings are in brackets).
  - Do you think the market for investments will be better or worse for investors in the next 3 months? (30)
  - How financially secure do you feel? (10)
  - To what extent are you happy with your current investments? (30)
  - How likely are you to take out a new investment product in the next 3 months? (15)
  - How likely are you to invest more in an existing investment product within the next 3 months? (15)

- The sample is taken from CoreData's proprietary database of more than 130,000 investors with the results calibrated to the ABS population data.
- The results are analysed using a number of variables such as state, gender and wealth bracket.

Report Overview

Contents

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Part 1 – Personal Finance and Behaviour

- Economic and Business Conditions
- Personal Financial Situation
- Financial Security
- Financial Planning

Part 2 – Investor Sentiment

- Investor Confidence
- Investor Intentions
- Sentiment about Asset Classes
- Historical Data
- Superannuation and Retirement
- Segmentation
- Current Issues

The Indexes

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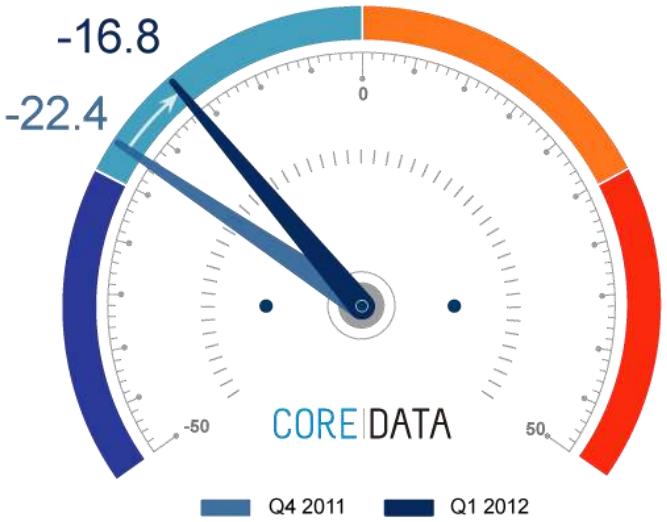
Investor Confidence

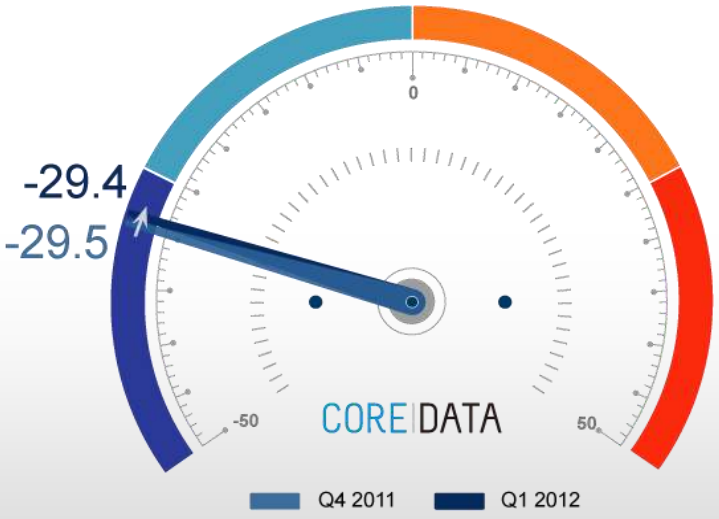
- The Investor Confidence Index is a key measure of investor sentiment for the industry, with the ability to be compared to the previous quarter's results and future results.

- It is an aggregate measure of investor sentiment across the following areas:
  - Expectations regarding the performance of the investment market.
  - Perception of their current financial situation.
  - Future investment intentions.

Investor Intentions

- The Investor Intention Index is a subset of the Investor Sentiment Index and measures investors' future investment intentions.

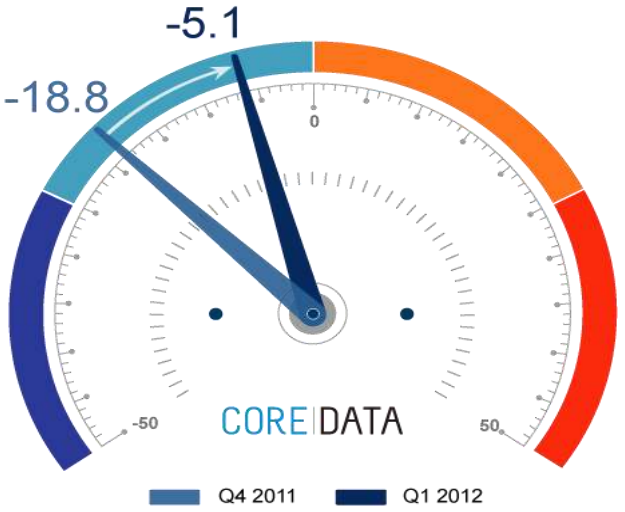




The Indexes

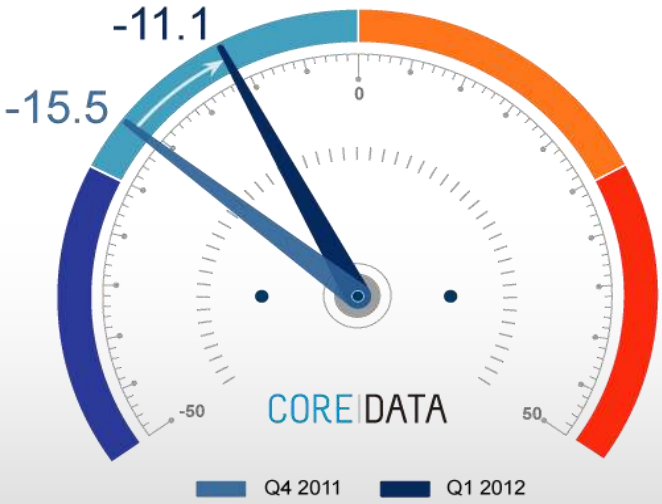
Investor Equities

- The Investor Equities Sentiment Index shows investor sentiment towards equities. It ranges from strongly pessimistic (-50) to strongly optimistic (+50) with 0 being a neutral reading.

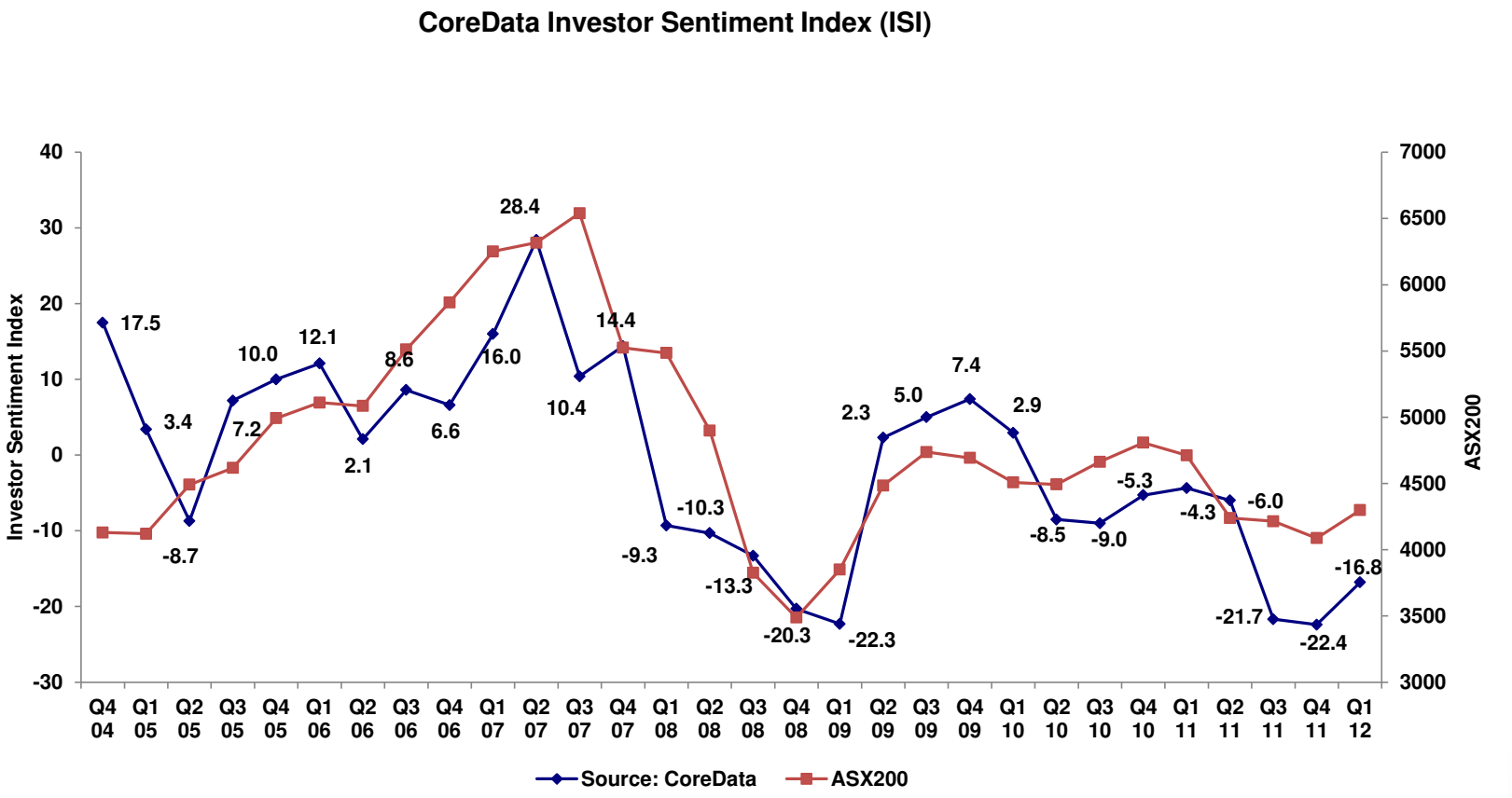


Investor Properties

- The Investor Property Sentiment Index shows investor sentiment towards direct and indirect property investment. It ranges from strongly pessimistic (-50) to strongly optimistic (+50) with 0 being a neutral reading.



Historical Investor Sentiment



Research Deliverables

Research Deliverables

- The final deliverables from the research will be:
  - 1 x Powerpoint report with analysis findings and strategic insight
- The quantitative data from the online survey will be presented with appropriate strategic insight and illustrative charting.

Appendix

Company Overview

About CoreData

- CoreData is an Australian based market intelligence and research consultancy specialising in financial services.

- The group provides clients with market intelligence, guidance on strategic positioning, methods for developing new business, advice on operational marketing and other consulting services.

- We pride ourselves on our ability to:

  - identify market trends at the earliest opportunity
  - formulate insightful quantifiable research
  - bring deep market knowledge to research and strategy development
  - blend experienced financial services, research, marketing and media professionals
  - bring perspective to existing market conditions and evolving trends.

CoreData Group

We started 10 years ago as a **research consultancy specialising in financial services**. Having expanded successfully to the UK, we are now developing businesses in the US, South America, South Africa and continue to grow our operations offices in Asia.

Sampling

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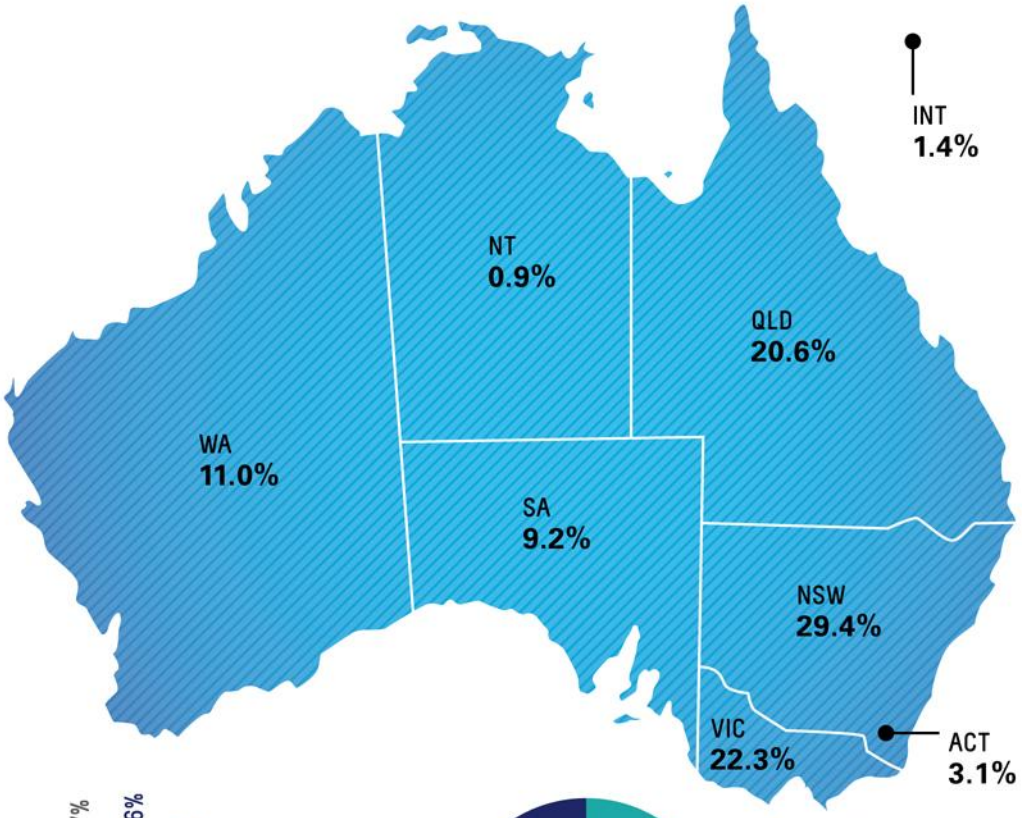
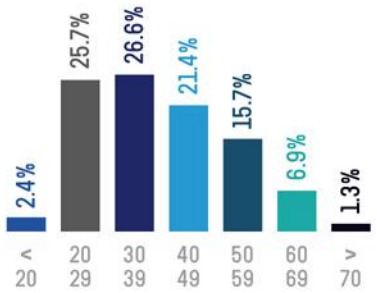
Ability to leverage its extensive proprietary nationwide database of 105,000 Australians to recruit participant respondents.

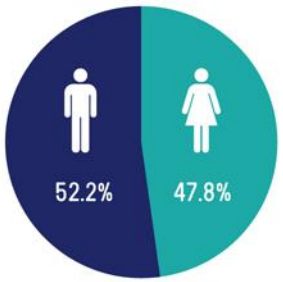
AGE - STATE CROSSTABULATION (%)

	< 20	20 29	30 39	40 49	50 59	60 69	> 70
NSW	2.7	26.3	28.9	21.2	14.1	6.0	1.0
VIC	2.0	23.6	27.3	22.6	16.0	7.3	1.2
QLD	2.5	26.7	25.2	20.6	15.8	7.5	1.7
WA	2.0	26.2	24.7	20.9	16.8	8.1	1.3
SA	2.0	22.5	23.4	23.6	19.4	7.5	1.6
ACT	1.6	33.2	28.3	18.8	11.7	5.3	1.1
TAS	2.3	26.8	23.9	20.8	17.9	6.8	1.5
NT	2.9	21.1	26.5	27.4	15.8	4.6	1.7
INT	1.3	22.1	26.5	18.4	18.5	11.3	1.9
TOTAL	2.3	25.5	26.6	21.5	15.7	7.0	1.3





NATIONAL AGE SPLIT



NATIONAL GENDER SPLIT