

2002 Australian Share Ownership Study

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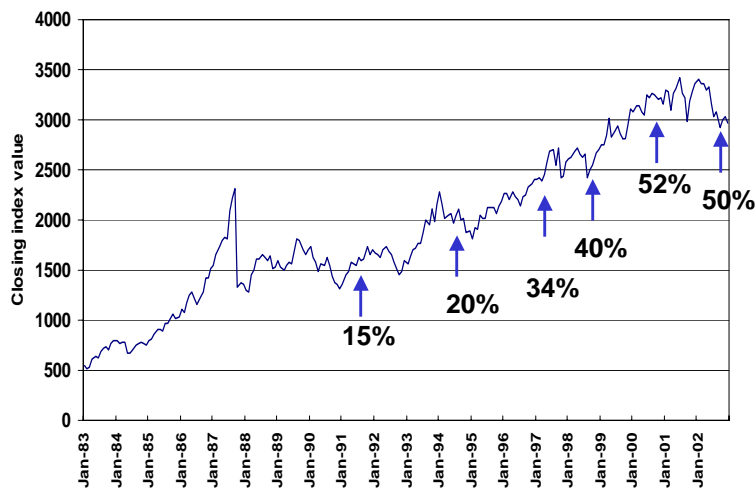
Lyn Armstrong
Manager Retail Equities

5 February 2003



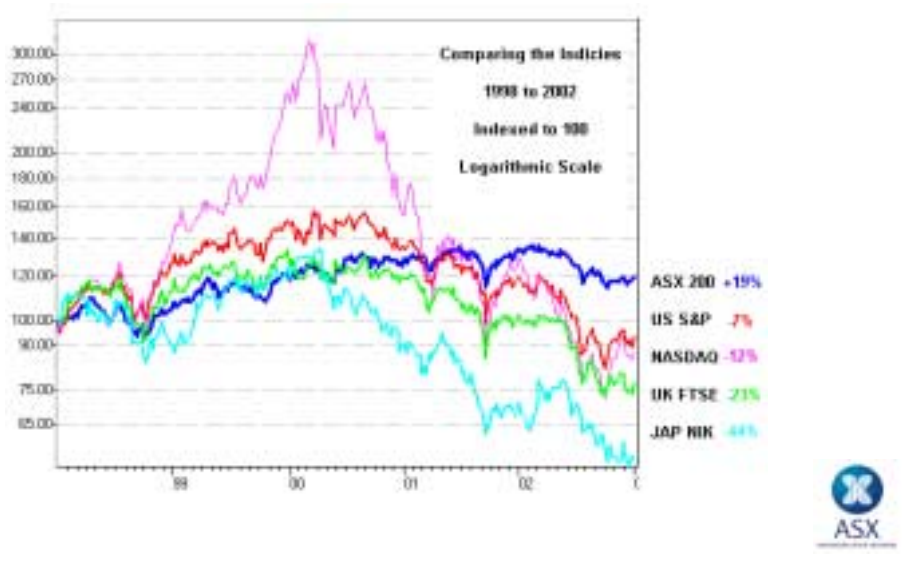
ASX
AUSTRALIAN STOCK EXCHANGE

All Ordinaries - 20 years



ASX
AUSTRALIAN STOCK EXCHANGE

ASX performance 1998 - 2002



Share Ownership Study - 2002

- Ownership level
- Who they are
 - Gender, age, education, state
- What they own
 - Portfolio composition, value
- Trading activity
 - Trade value, frequency, method, advice
- Attitudes
 - Current market, future intentions



Background

- In November 2002, 2,400 people Australia-wide participated in the ASX Share Ownership Study
- The survey, held on average every 18 months, measures the incidence of share ownership in Australia
- The survey samples sharemarket activity and investor attitudes and tracks shifts in behaviour and outlook
- Assisting the ASX with this research was an independent market research company – Millward Brown Australia
- Survey followed a qualitative study of investor attitudes



Share Ownership - Definition

Direct Share Ownership

Shares in a company listed on a stock exchange, which you **hold directly**, that is, **not** part of a fund

OR

A **direct** investment in a property trust which is listed on a stock exchange

OR

Derivatives such as options, warrants or futures

OR

Listed Interest Rate Securities such as corporate bonds, convertible notes and preference shares

Indirect Share Ownership

An investment in a managed fund that is not part of a superannuation fund

OR

A personal superannuation fund which you have set up but is managed by someone else

OR

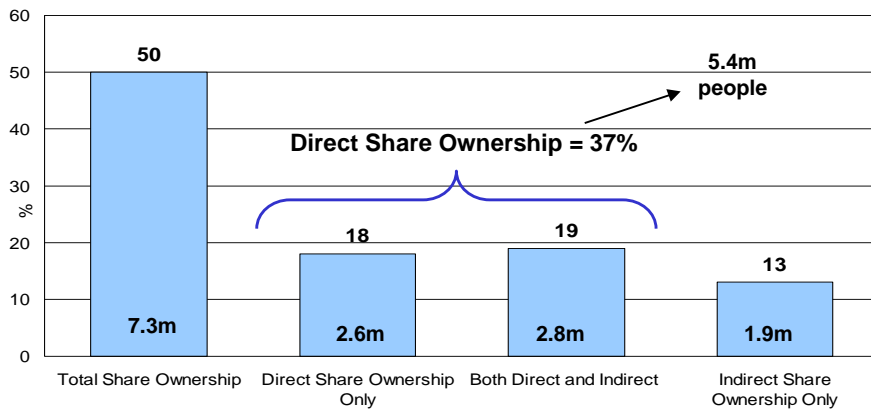
A personal superannuation fund which you have set up and directly manage yourself

Total Share Ownership



Ownership level

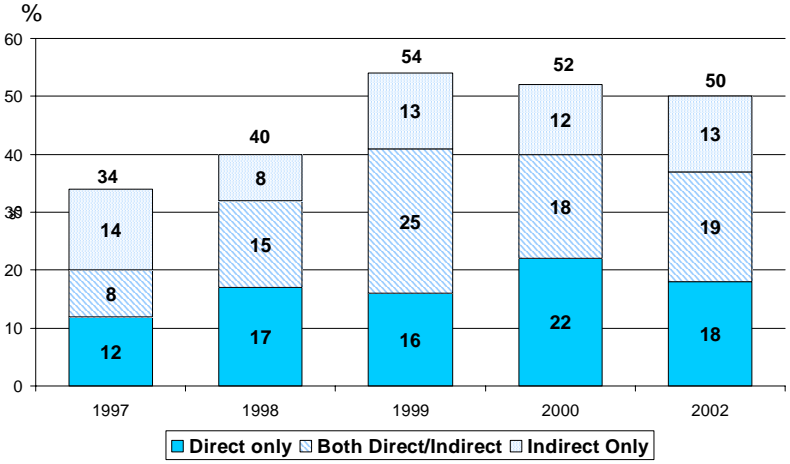
Total Share Ownership



Base: All Australian adults aged 18 years + (n=2401)



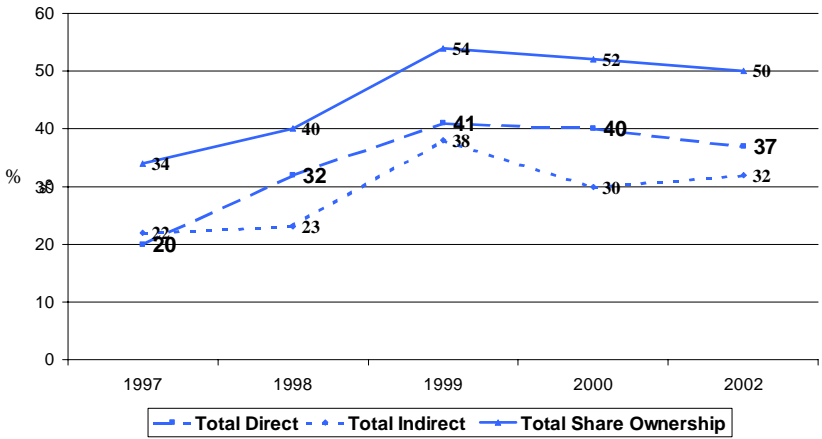
The Trend of Share Ownership



Base: All Australian adults aged 18 years +



The Trend of Share Ownership



Base: All Australian adults aged 18 years +



International Comparison

	98	99	00	01	02
Australia - Direct	32%	41%	40%	N/a	37%
Direct/Indirect	40%	54%	52%		50%
USA – Direct/Indirect	49%	48%	N/a	52%	50%
Canada - Shares/Funds	N/a	N/a	49%	N/a	46%
Switzerland – shares	N/a	N/a	32%	N/a	24%
Shares/funds			34%		25%
Germany - Shares	7%	8%	10%	9%	8%
Shares/Funds	11%	13%	19%	20%	18%
UK - Stocks/shares	24%	25%	25%	24%	22%
Hong Kong -Shares	N/a	16%	21%	20%	N/a
New Zealand -Direct			30%		
Direct/Indirect	N/a	N/a	44%	N/a	N/a

NB: Studies not directly comparable due to different data collection methods & definitions.

NB: USA study based on households, others studies are based on individuals



Who they are

Gender

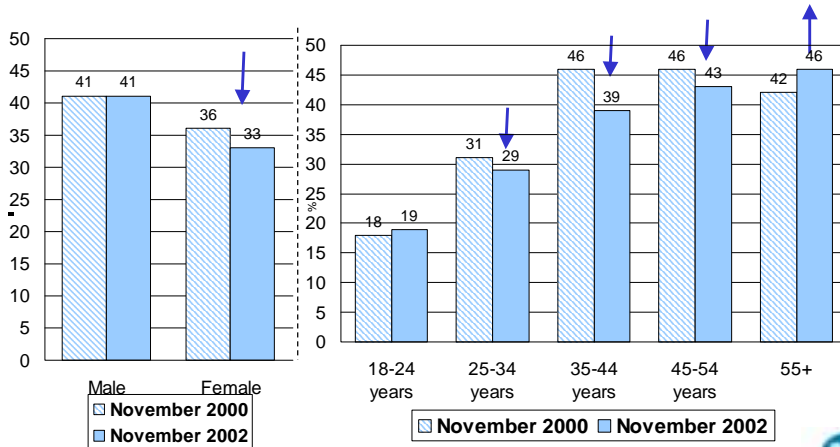
Age

Education/Income

State

Direct Share Ownership – Gender & Age comparison

% owning shares directly

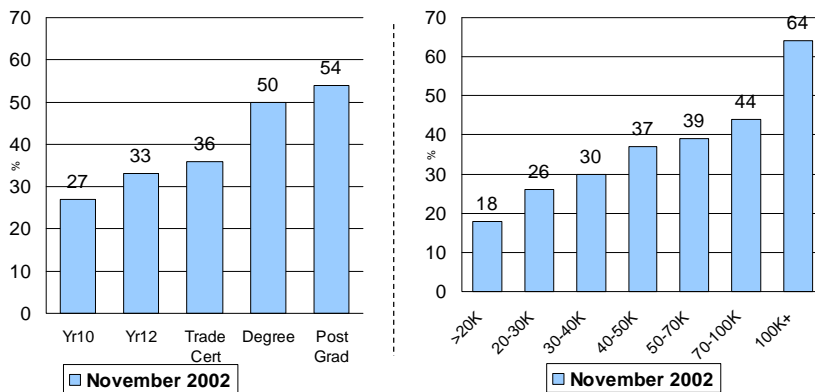


Base: All Australian adults aged 18 years + (2000 n=1200, 2002 n=2400)



Direct Share Ownership – Education & Income

% owning shares directly

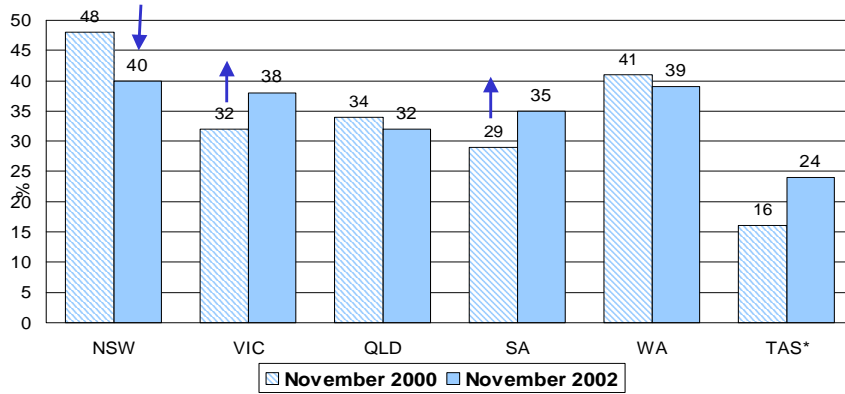


Base: All Australian adults aged 18 years + (n=2401)



Direct Share Ownership – State comparison

% owning shares directly



* = small base

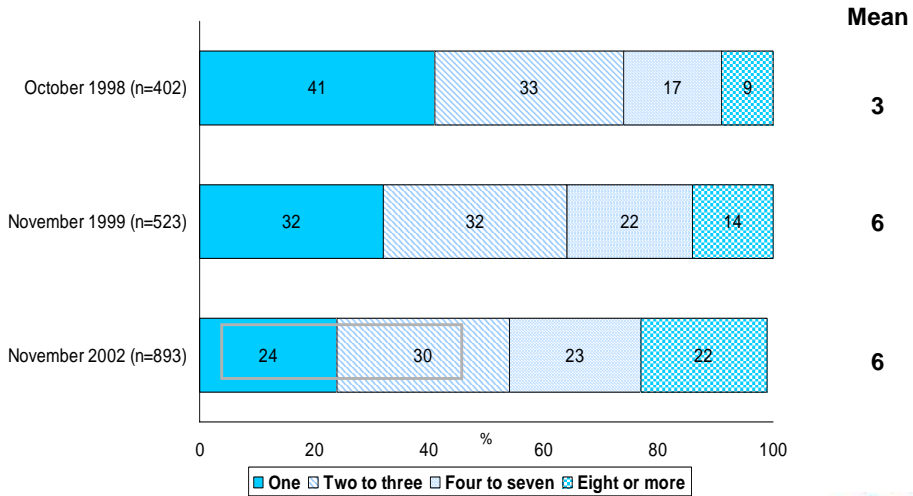
Base: All Australian adults aged 18 years + (2000 n=1200, 2002 n=2400)



What they own

Portfolio composition
Value

Number of companies in portfolio

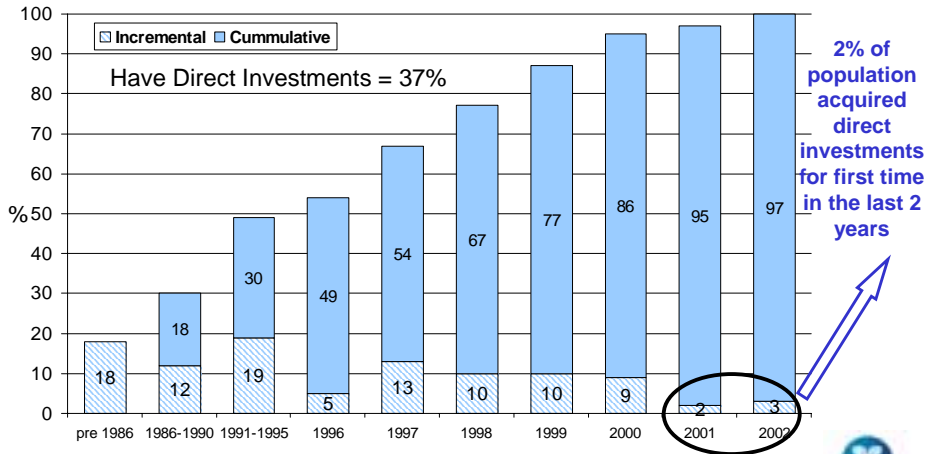


Base: All direct shareholders – Don't Knows removed



Direct Investments - commencement

“Thinking only about your direct investments in shares, property trusts, options, warrants, futures or Interest Rates Securities. In which year did you first acquire any of these direct investments?”

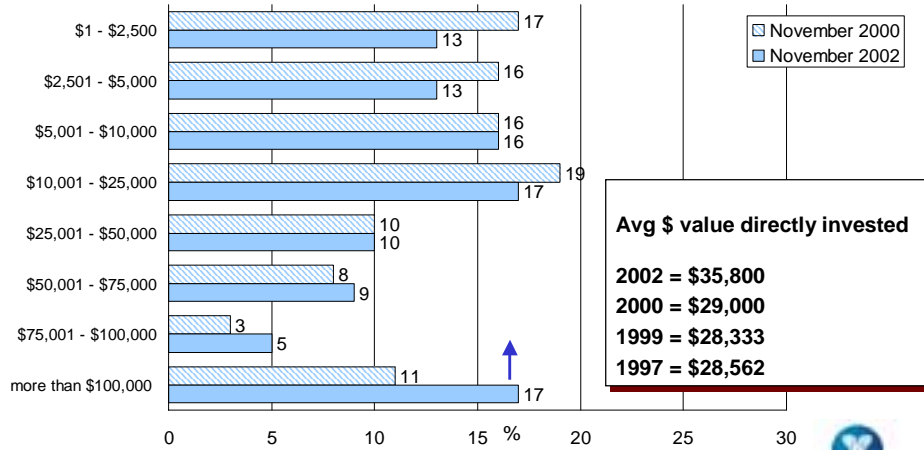


Base: Have direct Investments (n=893)



Value of Direct Investments in Share Market

"Approximately how much money do you currently have invested directly in Shares, Property Trusts, Options, Warrants, Futures or Interest Securities?"



Note: Don't know removed
 Base: All direct shareholders (2000 n=312; 2002 n=688)

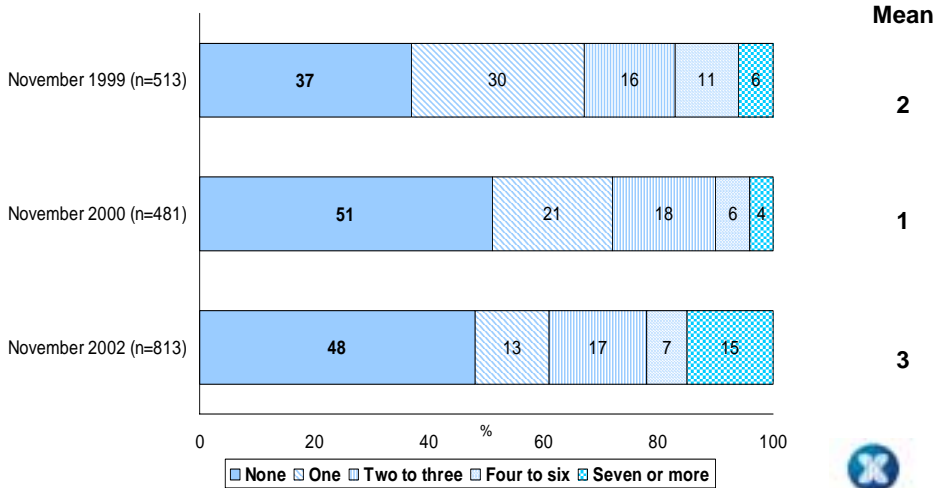


Trading

- Activity
- Value of trade
- Frequency
- Method
- Advice

Trading Activity

"In the last twelve months, approximately how many times have you bought or sold any direct investments in shares, property trusts, derivatives or Interest Rate Securities?"

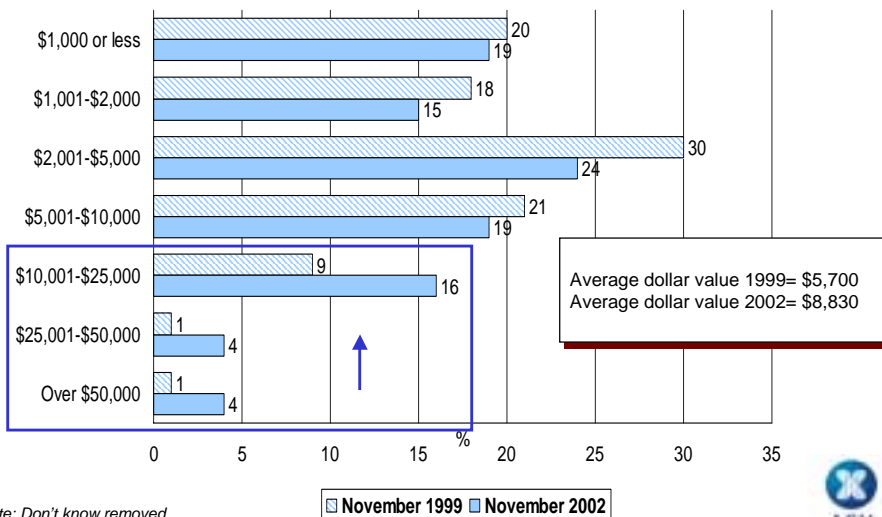


Base: All direct shareholders – Don't Knows removed



Avg \$ value of trading activity

"In the last 12 months, what would be the average dollar value of the share parcels you have bought or sold?"



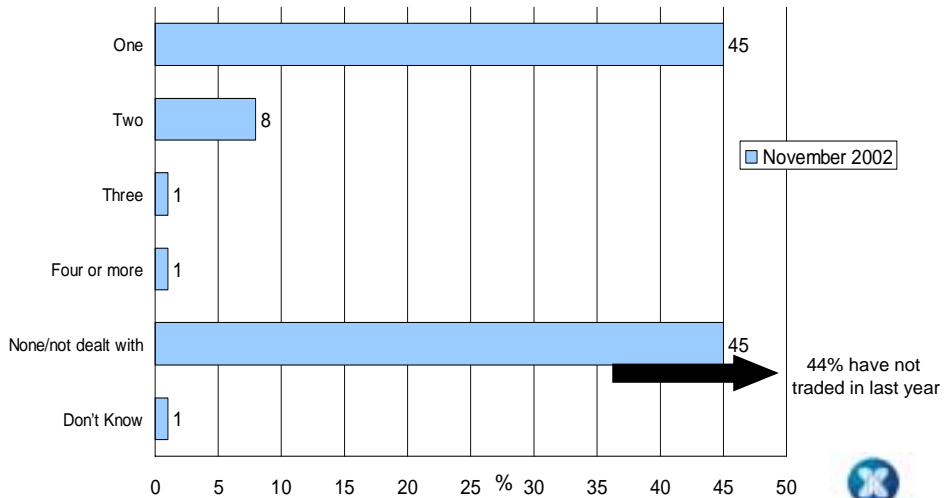
Note: Don't know removed

Base: All direct shareholders who have bought/sold shares in the past 12 months, (1999 n=273; 2002 n=363)



Brokers

“How many brokers do you currently use (including ‘Internet brokers’ such as CommSec and E*Trade)” ?

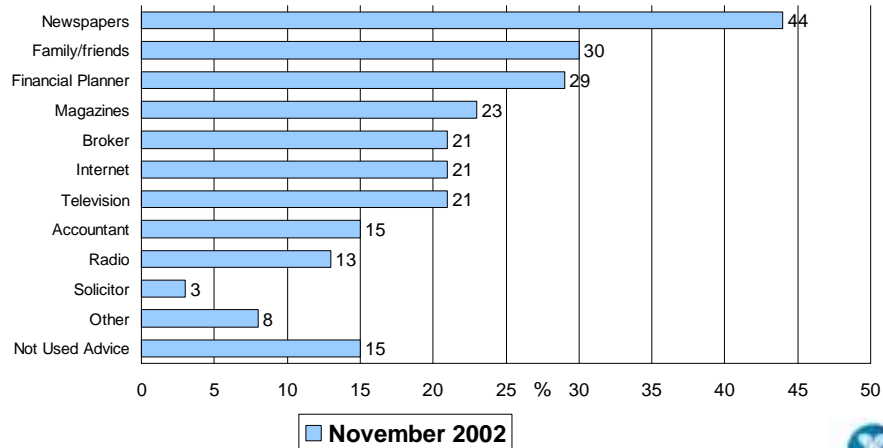


Base: Have direct Investments (n=893)



Source of Advice

“Which of the following sources, if any, have you used to obtain advice and information about shares in the last two years?”

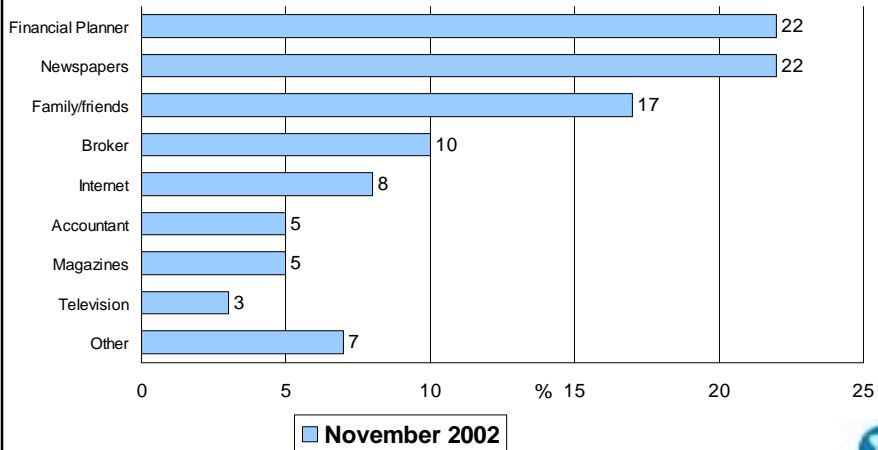


Base: Have direct Investments (n=893)



Main source of advice

“And which would you consider to be your main source of advice for shares?”



Base: Have direct Investments and Have Used Advice in the last 2 years (n=692)

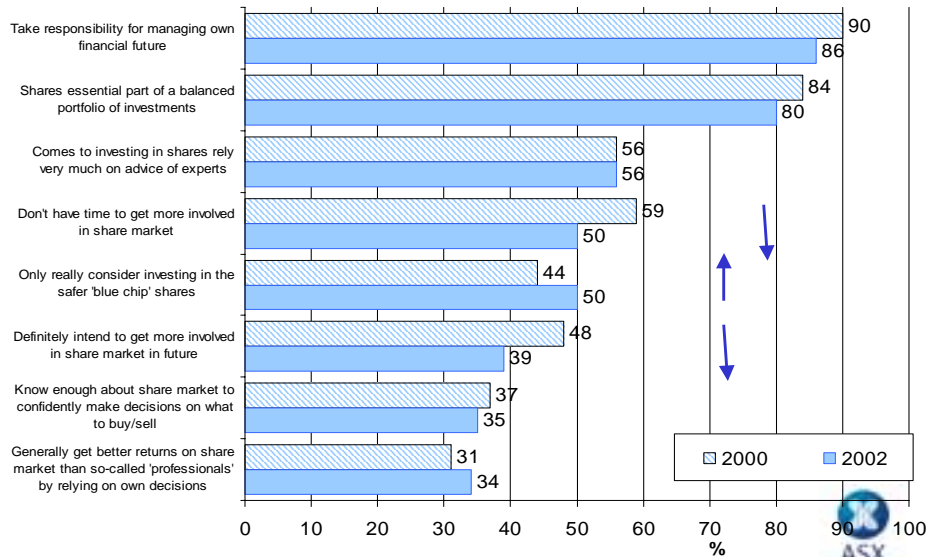


Attitudes

Current market
Future intentions

Attitude to Investments

"Which of the following statements about shares & investments do you agree with?"



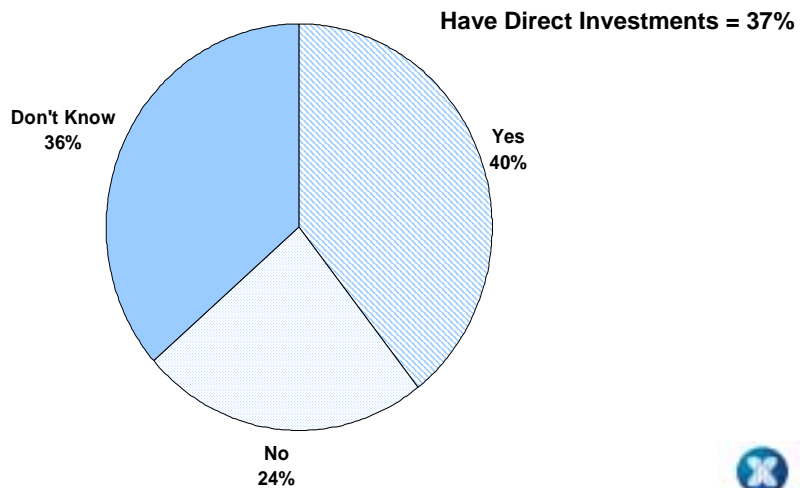
Base: Have direct Investments (2000 n=523; 2002 n=893)

Have Direct Investments = 37%



Direct Share Owners - Stamp duty

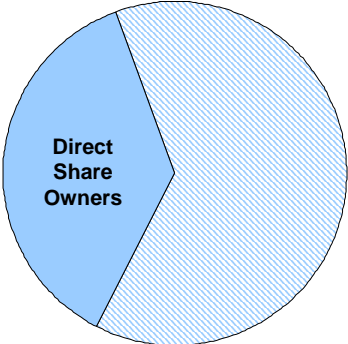
"Are you charged stamp duty when you buy or sell shares?"



Base: Have direct Investments (n=893)



Tomorrow's Share Owners

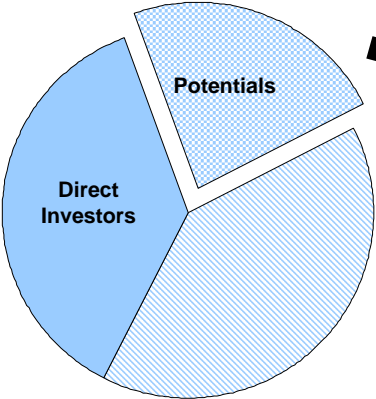


63% of the population
DO NOT Have Direct Investments

Base: All Australian adults aged 18 years + (n=2401)



Tomorrow's Share Owners



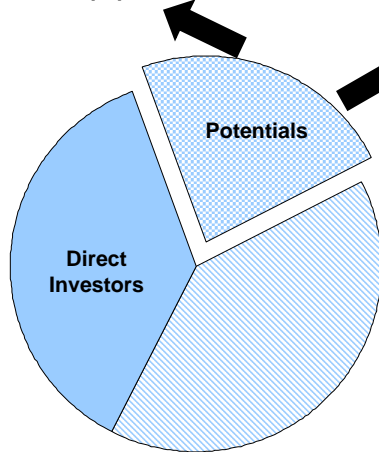
Overall
23%
of population
(over 3 million)

Base: All Australian adults aged 18 years + (n=2401)



Tomorrow's Share Owners

36% have owned shares
= 8% of population



21% are likely to
purchase share in next
12 months
= 5% of population or
over 700,000

Base: All Australian adults aged 18 years + (n=2401)



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