

ASX Australian Investor Study 2020

SPECIAL EDITION

Financial advisers
and stockbrokers



ASX



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WELCOME

Since 1986, the ASX Share Ownership Study and its successor, the ASX Australian Investor Study, have provided an authoritative guide to the evolution of our investment markets and changing investor behaviour.

This year's study is larger and more wide-ranging than ever before, covering not only investor attitudes and behaviour, but also demographics, investment strategies, levels of public trust in financial organisations, and views of financial advice. This extensive research base is the foundation for this special report, tailored specifically for financial advisers, stockbrokers and wealth managers.

Our 2020 study comes at a challenging time for financial services organisations and their clients. As well as ongoing regulatory change, a crisis of trust in the wake of the Hayne Royal Commission, and the departure of a number of institutional advice licensees from the marketplace, the industry is facing a complex investment environment, record low interest rates, and the ongoing fallout from the COVID-19 pandemic.

COVID-19 has brought a rise in market activity, along with almost unprecedented volatility. Yet it has also demonstrated the resilience of ordinary investors and their continued appetite for listed investments as an accessible way to build wealth for the future. And it has underlined the important role professional advisers have to play in helping retail investors benefit from the opportunities markets offer, without exposing themselves to disproportionate risk.

In the longer term, our research suggests that the outlook for Australian advice and broking businesses is bright. The last few years have seen an increase in the number of Australians investing for the first time, with more set to begin over the next 12 months. These new investors are engaged, motivated and eager to learn – and many are open to seeking financial advice. In fact, investors of all kinds have become more likely to seek advice in the wake of the COVID-19 crisis, creating real opportunities for advisers to provide the expert guidance that many investors now crave.

In this report, we provide an in-depth analysis of Australian investors today – who's investing, where they're investing, the role of advice in their decision-making process, and their investment goals. We also explore the new generation of investors, many of them women, whose distinctive preferences and investment approach will shape the markets of the future. And we look at the steps advisers and brokers can take to engage key investor groups, including next generation investors, women, and high value investors with significant portfolios and high trading values.

Dominic Stevens
Managing
Director
and CEO



HIGH VALUE INVESTORS (HVIs)



LIFE STAGE



INVESTMENT ACTIVITY

IN THE TOP 20% FOR BOTH

ABOUT THE RESEARCH

This report is based on two in-depth surveys of a nationally representative sample of Australian adults, conducted on behalf of ASX by Investment Trends:

- A wide-ranging online survey of 5,002 people conducted in January 2020, including investors, self-managed super fund (SMSF) trustees, lapsed investors, and non-investors.
- A follow-up online survey of 507 investors and SMSF trustees conducted in May 2020, focused on the investment impact of the COVID-19 pandemic.

Each sample was post-weighted to match Australian Bureau of Statistics data on the composition of the Australian adult population and the correct distribution of SMSF trustees, investors and non-investors. The maximum sampling errors (centre of the range) at the 95% confidence interval for the two surveys are +/-1.41% and +/-4.3% respectively.

Some figures may not total 100% due to rounding or multiple responses being allowed.

MAPPING THE MARKET

To better understand the preferences and behaviour of different investors in different life stages and situations, we have further analysed the results using these definitions:

NEXT GENERATION INVESTORS

AGED

18-24

WEALTH ACCUMULATORS

AGED

25-59

EARLY WEALTH ACCUMULATORS

AGED

25-44

MATURE WEALTH ACCUMULATORS

AGED

45-59

RETIREES

AGED

60+



CURRENT INVESTORS
Holding any investment product today



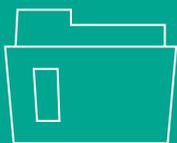
LAPSED INVESTORS
Previously held an investment product but do not now



NON-INVESTORS
Do not currently hold any investment products (either lapsed investors or have never invested)



INTENDING INVESTORS
Non-investors planning to begin investing within 12 months



PORTFOLIO SIZE
(excluding institutional super and primary residence, but including SMSF holdings)

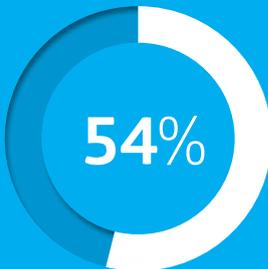


TRADING VALUE OVER THE LAST 12 MONTHS
(trading frequency multiplied by average trade size)

KEY FINDINGS



THE IMPACT OF COVID-19



HAVE MADE CHANGES TO THEIR PORTFOLIOS



INVESTING IN 2020



TOTAL ADULT POPULATION

19.4m



OF THESE

46%
OR 9m

AUSTRALIANS HOLD INVESTMENTS OUTSIDE THEIR HOME AND SUPER



DEMOGRAPHICS



NEXT GENERATION INVESTORS



FEMALE INVESTORS



HIGH VALUE INVESTORS



HAVE CHANGED THEIR RETIREMENT PLANS



HAVE INVESTED ALL THEIR SPARE CASH



HAVE INCREASED THEIR ALLOCATION TO CASH



PLAN TO BUY AUSTRALIAN SHARES

OF THOSE WHO INVEST

74% OR
6.6m

AUSTRALIANS HOLD LISTED INVESTMENTS (35% OF 19.4M)

OF THOSE WHO HOLD LISTED INVESTMENTS

23%

BEGAN INVESTING IN THE LAST 2 YEARS

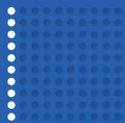
OF THOSE WHO BEGAN INVESTING IN THE LAST 12 MONTHS

45%

ARE WOMEN

900k

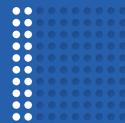
INTENDING INVESTORS PLAN TO BEGIN INVESTING WITHIN 12 MONTHS



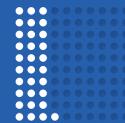
10%
OF CURRENT INVESTORS



27%
OF INTENDING INVESTORS



20%
OWN ETFs



31%
INVEST THROUGH AN ADVISER



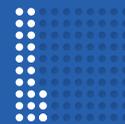
42%
OF CURRENT INVESTORS



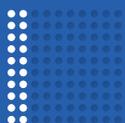
51%
OF INTENDING INVESTORS



44%
PREFER STABLE, RELIABLE RETURNS



23%
INVEST THROUGH AN ADVISER



TOP 20%
BY WEALTH AND TRADE VALUE



85%
SAY THEY ARE DIVERSIFIED



27%
TRADED MORE THAN 40 TIMES IN THE LAST 12 MONTHS



41%
HAVE AN SMSF



INVESTMENT STRATEGIES

DIVERSIFIED INVESTORS

2017

46%

January 2020

54%

May 2020

60%



ADVICE AND ENGAGEMENT

ENGAGEMENT DRIVERS

63%

OF AUSTRALIANS ARE OPEN TO RECEIVING FINANCIAL ADVICE

20%

OF AUSTRALIANS WOULD OR DO SEEK ADVICE FROM A FULL-SERVICE STOCKBROKER OR WEALTH MANAGER

27%

OF INVESTORS USED AN ADVISER, BROKER OR WEALTH MANAGER IN THE LAST 12 MONTHS

17%

ARE MORE LIKELY TO SEEK ADVICE AFTER COVID-19

34%

OF INVESTORS PLAN TO SEEK ADVICE IN THE NEXT 12 MONTHS

41%

OF HIGH VALUE INVESTORS PLAN TO SEEK ADVICE IN THE NEXT 12 MONTHS

TOP INVESTMENT CHALLENGES



NEXT GENERATION INVESTORS
Underperformance and hidden fees



WEALTH ACCUMULATORS
Market volatility and information overload



RETIREES
Market volatility and low interest rates

THE DIGITAL SHIFT

DIGITAL INVESTING PLATFORMS



USED BY **1 IN 5** INVESTORS

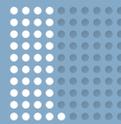
31%

INTENDING INVESTORS PLAN TO USE

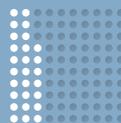
PREFERRED EDUCATION METHODS



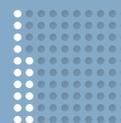
NEXT GENERATION INVESTORS



41%
YOUTUBE



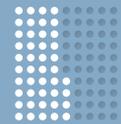
27%
SOCIAL MEDIA



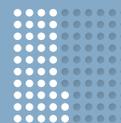
16%
SOCIAL MESSAGING



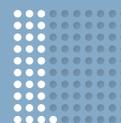
FEMALE INVESTORS



44%
PDFS AND ONLINE CONTENT



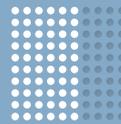
43%
ONE-ON-ONE SESSIONS



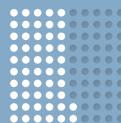
31%
STEP-BY-STEP ONLINE TUTORIALS



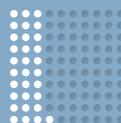
HIGH VALUE INVESTORS



60%
EMAIL



52%
PDFS AND ONLINE CONTENT



31%
FACE TO FACE GROUP SEMINARS

DRIVERS OF NON-INVESTORS



INTENDING INVESTORS: GOALS

47%
PAY DOWN DEBT

51%
GET FINANCES IN ORDER



LAPSED INVESTORS: WILL INVEST AGAIN WHEN

32%
MORE TIME TO RESEARCH

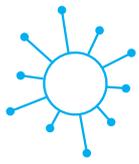
31%
CONFIDENT ABOUT FUTURE RETURNS



NON-INVESTORS: NEVER INVESTED BECAUSE

56%
NOT ENOUGH MONEY

32%
DON'T KNOW ENOUGH



THE IMPACT OF COVID-19

Activity grows as investors reset

Unsurprisingly, the extreme volatility and sudden decline in asset values caused by the COVID-19 pandemic has had a considerable impact on investors and on market activity. As this report goes to press, much of that impact has yet to play out, with the full economic consequences of the pandemic still to become fully clear.

For some investors, the fallout has been substantial. Retirees and those approaching retirement have been most impacted, with a significant number rethinking retirement plans or lowering their lifestyle expectations.

Yet there are also some positive signs. Our survey suggests many investors have responded to the crisis by becoming more focused on diversification and risk management, together with the sustainability of returns. Many have also sought to capitalise on falling prices by creating or adding to investment portfolios.

The resulting rise in market activity points to a risk, highlighted by ASIC¹, that some share investors may be engaged in short-term speculation rather than long-term investment, exposing them to losses if their attempts to time market movements are unsuccessful. Yet our survey also suggests that a significant proportion of investors have been building their portfolios with more long-term goals in mind, seeking to diversify their holdings at current valuations.

Those who receive professional advice have been particularly active in increasing their holdings, with most agreeing that their adviser has helped them manage the impacts of the pandemic more effectively.

Just as importantly, the recent market disruption has helped demonstrate the benefits of advice to non advised investors, with a significant proportion of unadvised investors now more likely to consult an adviser than before the crisis began. If the advice community were to successfully engage even some of these potential clients, the sector could experience a large uptick in activity in the wake of the pandemic.

FIGURE 1 HOW INVESTORS HAVE RESPONDED TO COVID-19 MARKET VOLATILITY

Shifts in sentiment and behaviour between January 2020 and May 2020

EXPECTED INVESTMENT RETURNS OVER THE NEXT 12 MONTHS HAVE FALLEN FROM A MEDIAN

8.4% TO **5%**

54% **28%**

HAVE MADE CHANGES TO THEIR PORTFOLIOS

HAVE CHANGED THEIR RETIREMENT PLANS

17% **13%**

HAVE INVESTED ALL THEIR SPARE CASH

HAVE INCREASED THEIR ALLOCATION TO CASH

THOSE WHO HAVE INVESTED ALL THEIR SPARE CASH ARE NOW MORE LIKELY TO HOLD DIRECT AUSTRALIAN AND INTERNATIONAL SHARES AND ETFs

57% PLAN TO BUY AUSTRALIAN SHARES

17% PLAN TO BUY INTERNATIONAL SHARES

28% PLAN TO BUY ETFs

68% OF ADVISED INVESTORS MADE CHANGES TO THEIR PORTFOLIOS

84% OF ADVISED INVESTORS SAY THE ADVICE RECEIVED HAS BEEN HELPFUL

17% OF UNADVISED INVESTORS SAY THEY ARE NOW MORE LIKELY TO SEEK ADVICE

¹Australian Securities and Investments Commission, Retail investor trading during COVID-19 volatility, May 2020.

RESPONSES BY LIFE STAGE

YOUNGER INVESTORS

ARE MOST LIKELY TO HAVE MADE SIGNIFICANT SHIFTS

OLDER INVESTORS

ARE MORE INCLINED TO STICK WITH THEIR EXISTING STRATEGY

Responses to the pandemic vary significantly by age, with sudden market falls underlining the importance of sequencing risk – the risk that poor investment performance occurs when investors are approaching retirement, when they typically have the largest portfolios and the least time to recover from losses. More than one in five investors aged between 35 and 64 say they plan to delay retirement, while 29% of 55 to 64 year olds intend to live on less money or rely on social security.

As the COVID-19 market disruption unfolded over the three months to May, 54% of investors made changes to their portfolios, with younger investors most likely to have made significant shifts and older investors more inclined to stick with their existing strategy. Twelve per cent of retirees (defined as those aged 60 and over) and wealth accumulators (aged 25–59) switched from risky investments to more secure options, while 5% of accumulators sold everything and moved to cash.

Yet overall, investors were more likely to increase their holdings of growth assets like shares, rather than reduce them. Among the 54% who made changes to their investment mix, 17% took advantage of lower asset prices to invest all their spare cash, including 34% of next generation investors (aged 18–24) and 18% of wealth accumulators. Similarly, 17% of investors increased their allocation to Australian direct shares, with just 3% selling down their shareholdings.

That suggests very few investors have sold into a declining market, crystallising their losses. It also suggests there is ongoing potential for appropriately positioned advice and investment options to capture continued investor interest, particularly those that help investors manage risk or further diversify.

FIGURE 2
THE IMPACT OF COVID-19 ON RETIREMENT PLANS
How has the recent market performance affected your retirement plans?

- I'm already retired
- No impact
- Other
- I'll rely on social security
- I'll live on less money
- I'll delay my retirement

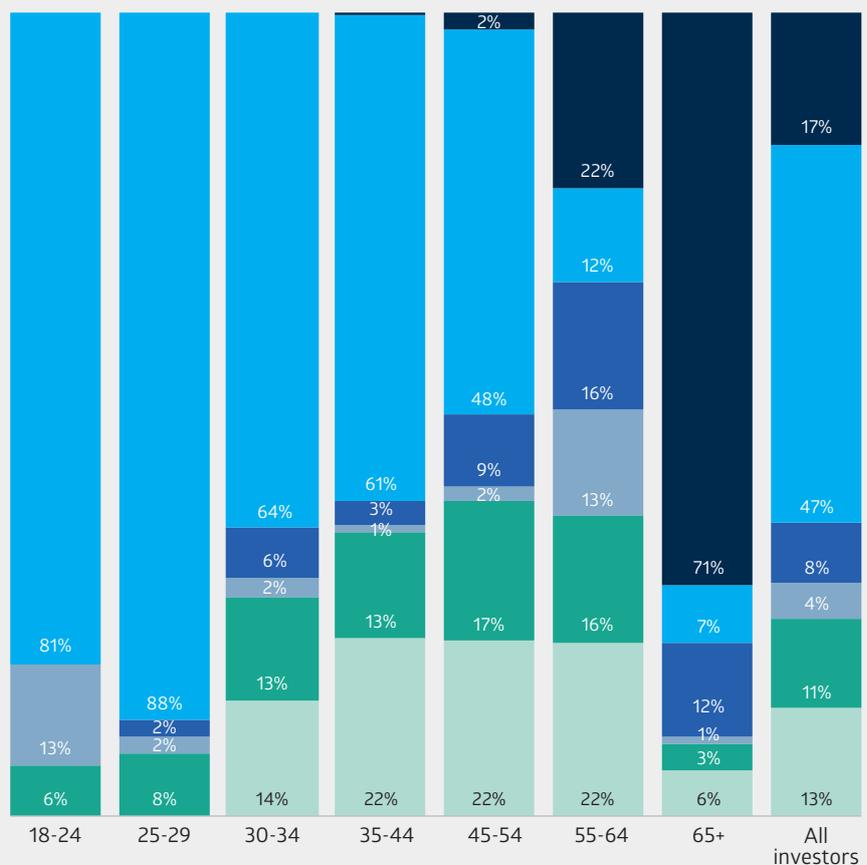
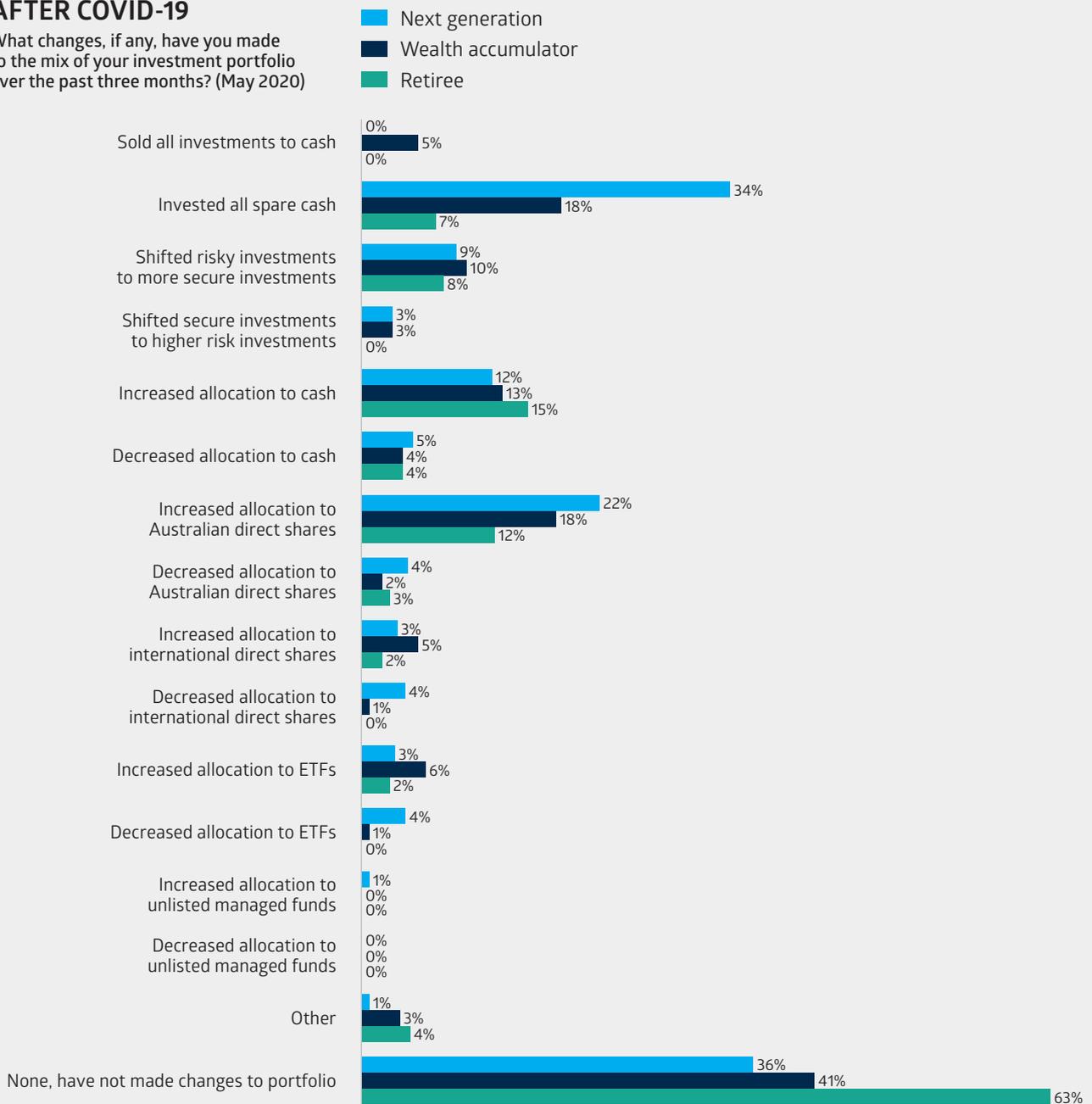


FIGURE 3

PORTFOLIO CHANGES AFTER COVID-19

What changes, if any, have you made to the mix of your investment portfolio over the past three months? (May 2020)



CHANGING INVESTMENT PRIORITIES

While the rise in volatility has led investors to re-examine their attitudes to risk, few have become more risk averse. Instead, 64% of investors surveyed in May said they would accept moderate or high variability with the potential for higher returns, an increase of 18 percentage points from our January survey. In contrast, the proportion who said they preferred guaranteed returns fell from 16% to just 5%.

At the same time, the events of early 2020 have prompted investors to put a higher priority on risk reduction techniques like diversification, hedging and liquidity management. Questioned about the effects of the COVID-19 outbreak on their investment priorities, 31% say they now place a greater emphasis on the impact of diversification on volatility and returns, with next generation investors especially

likely to prioritise this (64%). This renewed appreciation of the need for a more comprehensive and balanced investment strategy creates new opportunities for advisers to engage investors who would benefit from their strategic expertise.

These younger investors seem to have been particularly apt to learn from the crisis, with one in three saying hedging strategies are now a higher priority than before, and one in five more focused on liquidity and defensive assets. Meanwhile, investors in all life stages say they will focus more strongly on the future sustainability of dividends.

FIGURE 4
CHANGES IN ATTITUDES TO RISK AFTER COVID-19

How would you describe your attitude to financial and investment risk?

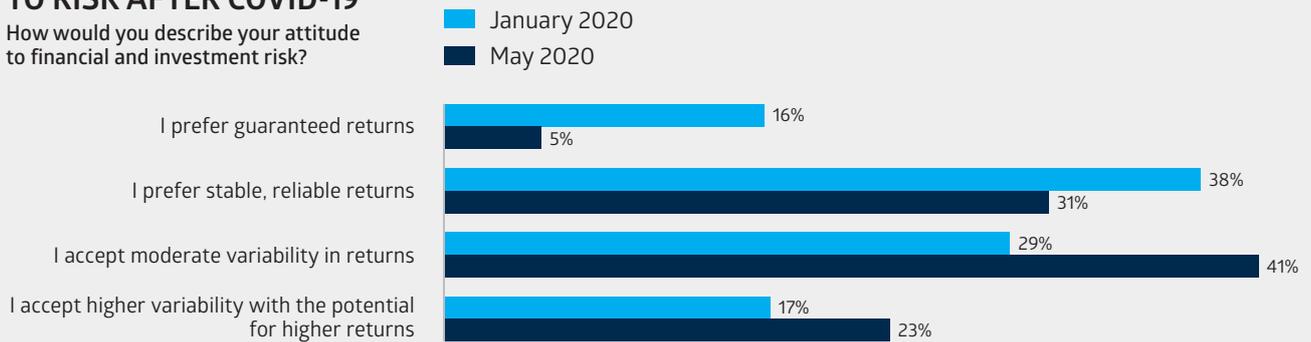
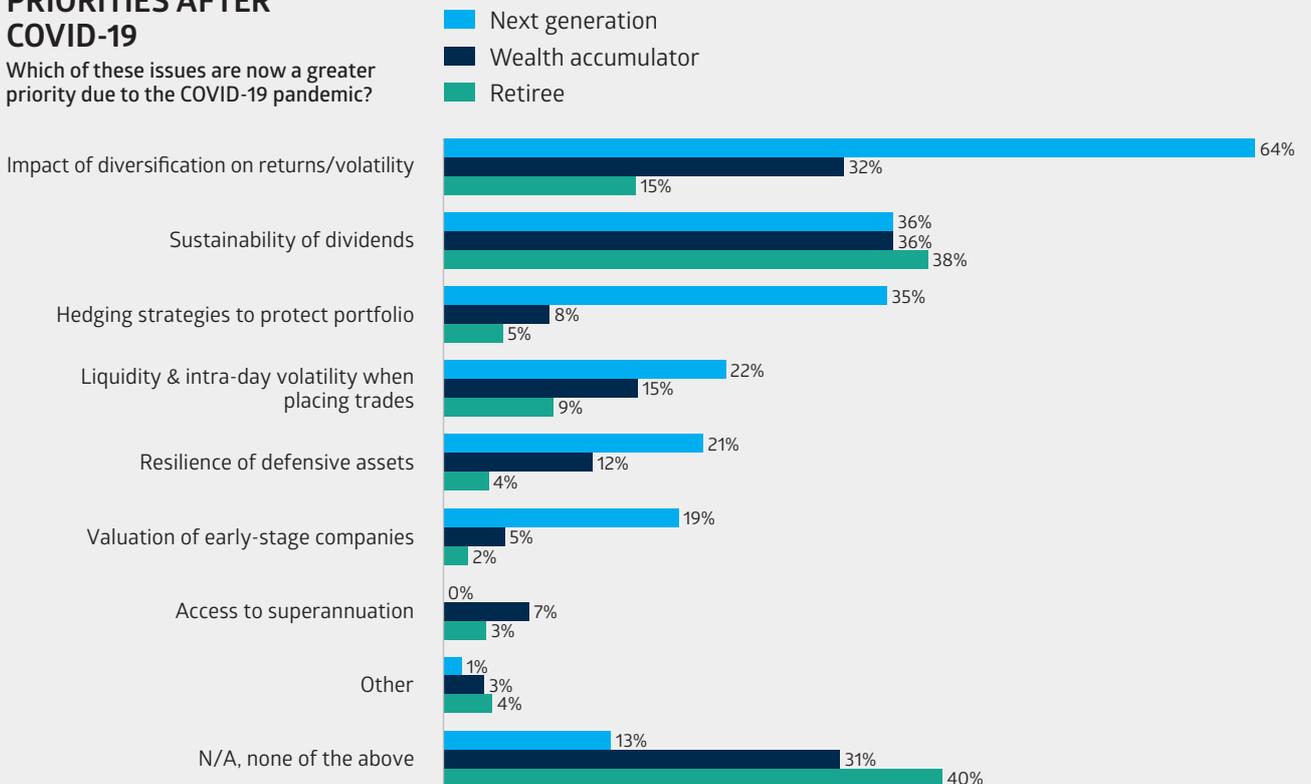


FIGURE 5
CHANGES IN INVESTMENT PRIORITIES AFTER COVID-19

Which of these issues are now a greater priority due to the COVID-19 pandemic?



45%

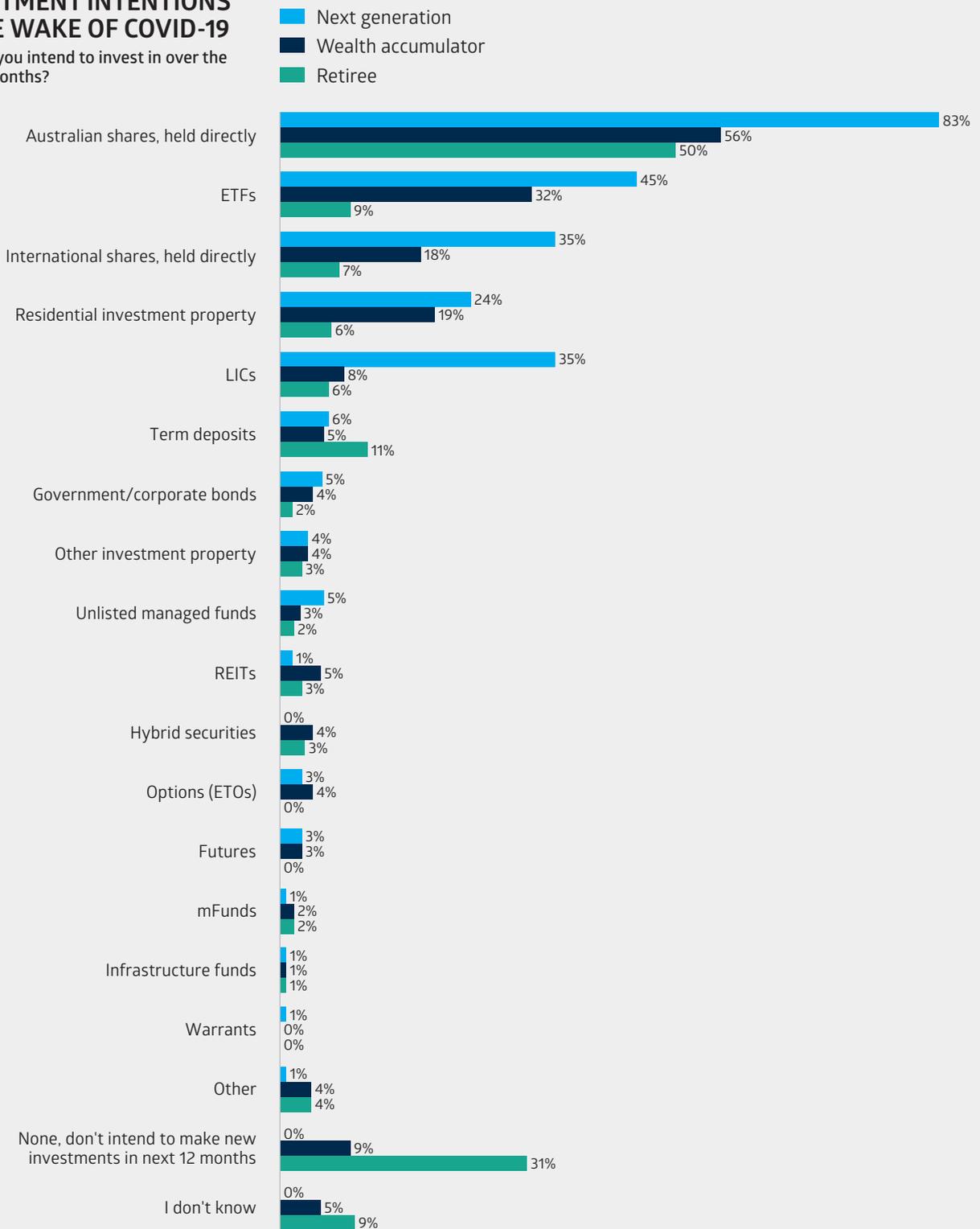
OF NEXT GEN INVESTORS ARE PLANNING TO INVEST IN ETFs IN THE NEXT 12 MONTHS

Investors are also keen to continue taking advantage of lower asset prices by building their holdings of listed assets. Asked about their intentions for the next 12 months, 57% of investors say they plan to invest in Australian direct shares, including 83% of next generation investors. Seventeen per cent of investors are also planning to invest on international exchanges, while many next generation investors are interested in diversified investment vehicles like exchange traded funds (ETFs) and listed investment companies (LICs). Already popular with younger investors, demand for these investment products looks set to increase.

FIGURE 6

INVESTMENT INTENTIONS IN THE WAKE OF COVID-19

What do you intend to invest in over the next 12 months?



THE BENEFITS OF FINANCIAL ADVICE

68%

OF ADVISED INVESTORS MADE CHANGES TO THEIR PORTFOLIOS IN RESPONSE TO THE PANDEMIC

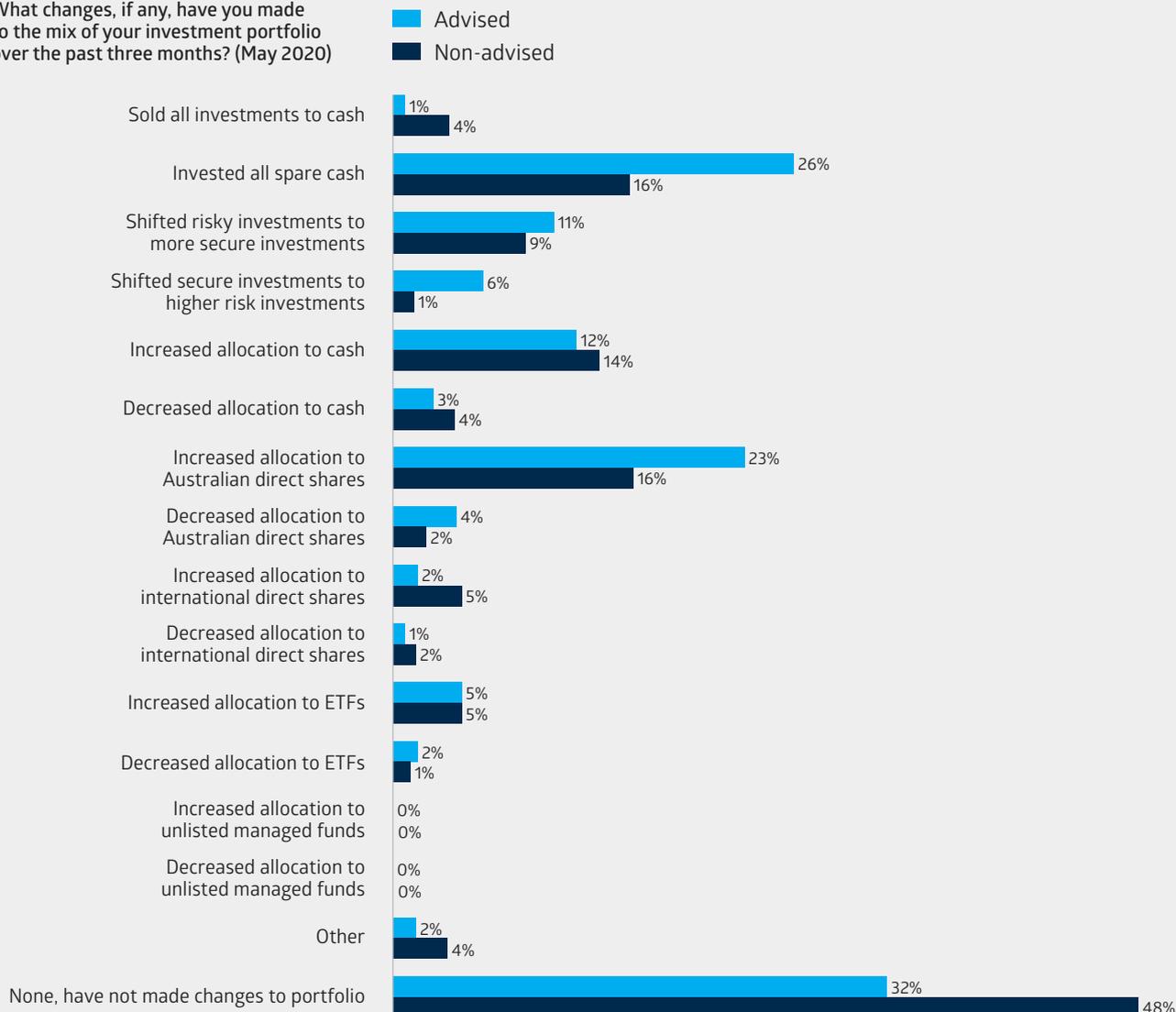
Advised investors have been particularly active in responding to the pandemic, with 68% making changes to their portfolios, compared to 52% of other investors. They have also been more likely to invest all their spare cash (26% versus 16%) and increase their allocation to Australian direct shares (23% versus 16%).

Asked how helpful their financial adviser has been in managing the impact of COVID-19, 84% of advised investors say they have been helpful, with 41% saying they were “extremely” or “very” helpful – although 13% say they are yet to hear from their adviser.

These findings clearly demonstrate the benefits of advice in helping clients respond effectively to changing market conditions, and the willingness of clients to make changes to their portfolios based on guidance from their advisers – either to take advantage of growth opportunities or to safeguard their existing investments. They also point to the continued need for broking businesses to actively partner with financial advisers and their clients, at a time when advice practices may be looking for cost-effective execution and portfolio management services.

FIGURE 7
RESPONSE TO COVID-19 BY ADVISED INVESTORS

What changes, if any, have you made to the mix of your investment portfolio over the past three months? (May 2020)





INVESTING IN 2020

The state of the market

Australia continues to be a nation of investors, with 46% of Australian adults currently holding investments other than their primary residence (including SMSFs, but excluding other superannuation). Among those who invest, more than half invest in direct shares, which have cemented their place as Australia's most accessible and widely used investment option, especially for younger investors. While the overall proportion of Australians with on-exchange investments has consolidated below the high point of the early 2000s, there has been an increase in new investors over the last few years, many of them young and female. Perceptions of the amount of capital you need to start investing have also fallen, as a wide variety of Australians seek to build wealth for the future.

For advisers, brokers and wealth managers, the 2 million engaged and active new investors entering the market in the last two years constitute a significant population of potential clients. Many, especially female investors, have a higher than usual willingness to seek professional guidance. Yet our survey also suggests that financial services businesses may need to adapt existing offerings if they are to deliver the accessibility, immediacy and affordability many next generation and intending investors desire.

FIGURE 8 KEY FINDINGS

A snapshot of Australian investors in 2020

TOTAL ADULT POPULATION



OF THESE

46% OR 9m

AUSTRALIANS HOLD INVESTMENTS OUTSIDE THEIR HOME AND SUPER

OF THOSE WHO INVEST

74% OR 6.6m

AUSTRALIANS HOLD LISTED INVESTMENTS (35% OF 19.4M)

OF THOSE WHO HOLD LISTED INVESTMENTS

23% BEGAN INVESTING IN THE LAST 2 YEARS

OF THOSE WHO BEGAN INVESTING IN THE LAST 12 MONTHS

45% ARE WOMEN

900k INTENDING INVESTORS PLAN TO BEGIN INVESTING WITHIN 12 MONTHS

AVERAGE AGE OF INTENDING INVESTORS

34

AVERAGE AGE OF CURRENT INVESTORS

46

HOW MANY AUSTRALIANS INVEST?

Among 19.4 million Australian adults, 9 million (or 46%) held investments outside their homes in January 2020 (including SMSFs, but excluding other super). Another 2.6 million lapsed investors had previously owned investments, but did not do so at the time of our survey, while 900,000 intending investors planned to begin investing in the next 12 months. Only around one in three (36%) had never invested and did not plan to do so.

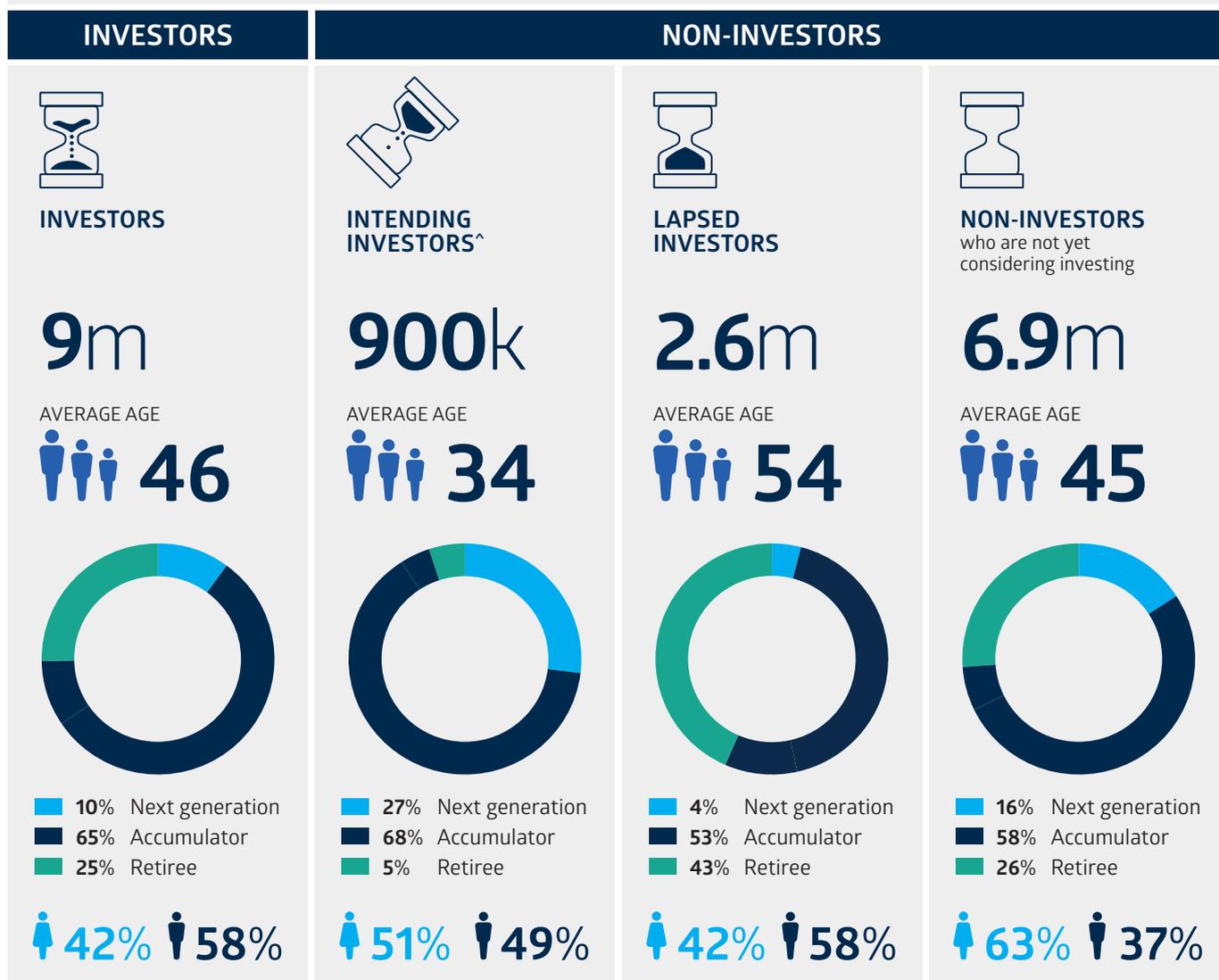
Despite a proliferation of investment options, the enduring appeal of property, and the growing proportion of household wealth tied up in residential property, directly owned shares remain a popular option for Australians seeking to build wealth for the future. After the rapid growth in share ownership during the late 1990s and early 2000s, fuelled by the rise of online broking and a string of de-mutualisations and privatisations, the proportion of people who invest on a securities exchange has stabilised at around 35% of the adult population. Of 9 million Australian investors, 6.6 million (or 74%) hold shares or other on-exchange investments.

FIGURE 9
A NATION OF INVESTORS

Adults who hold investments outside their home and super



NUMBER OF ADULTS*
19.4m



*Source ABS 2019. ^Note Current intention does not always translate into future action.

FIGURE 10

A DEMOCRACY OF SHAREHOLDERS

Proportion of the Australian adult population with on-exchange investments

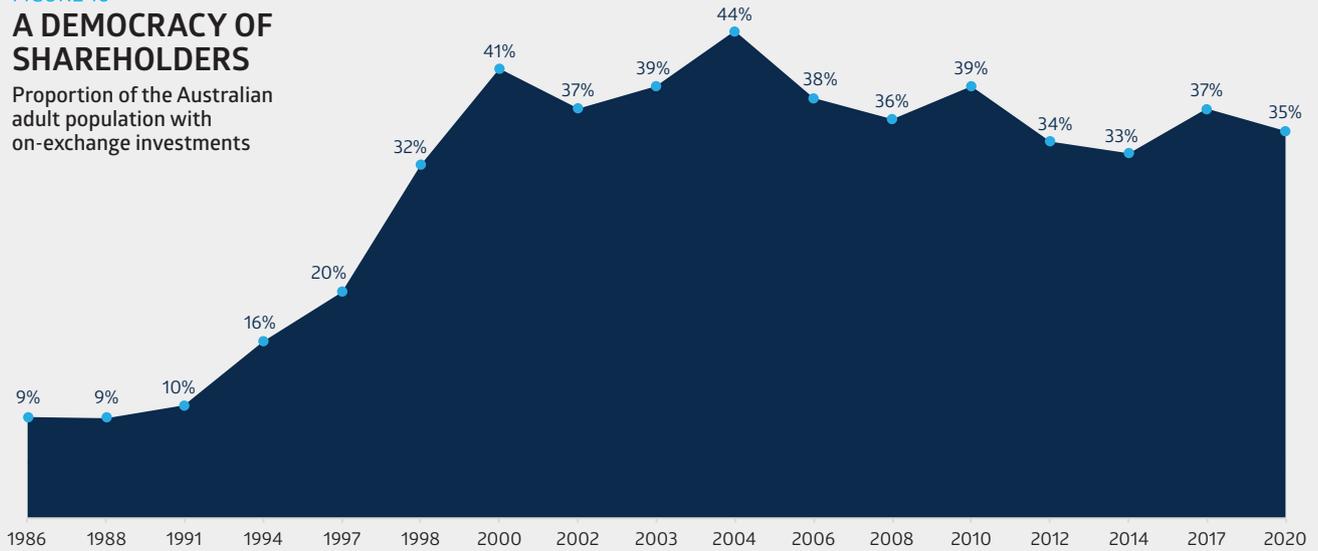
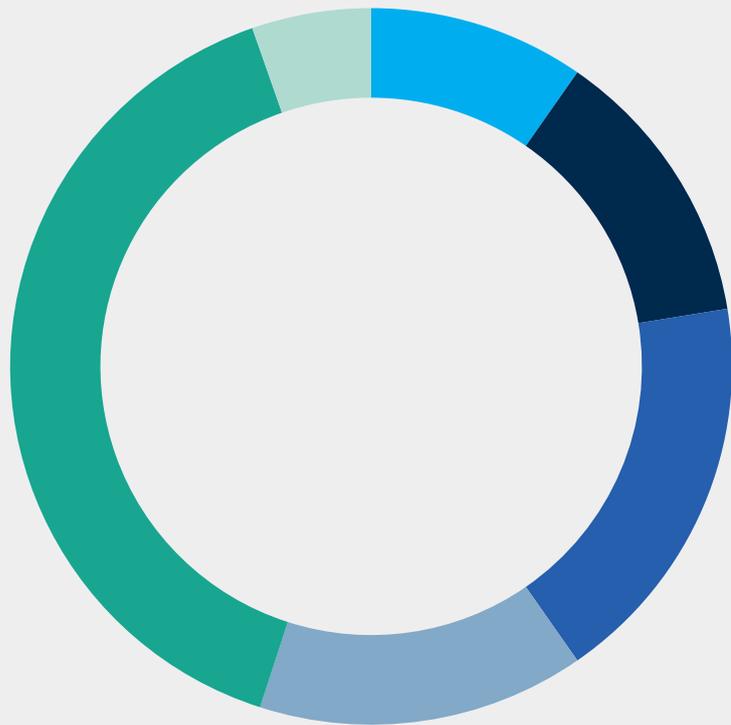


FIGURE 11

NEW INVESTORS RISE

How long ago did you begin investing? (Investors)

- 10% Within the last 12 months
- 13% 1-2 years ago
- 18% 2-5 years ago
- 15% 5-10 years ago
- 40% More than 10 years ago
- 5% Don't remember



ALL INVESTORS

MEDIAN[^]

7.4 YEARS

[^]MEDIANS CALCULATED EXCLUDING 'DON'T REMEMBER'

While the overall proportion of Australians investing on-market has stabilised, new investor numbers have increased over the last few years, even before the upswing in activity during the COVID-19 crisis. Around one in four current investors (23%) began investing less than two years ago.

Although existing investors are predominantly male (58%) and middle aged, with an average age of 46, the next few years are set to see a growing number of women and younger Australians actively investing. Intending investors have an average age of just 34, with 27% under 25. For financial advisers and brokers who can engage them successfully, these investors represent an attractive potential new market, with decades of investment activity still before them.

WHY AUSTRALIANS INVEST

Australians invest for a wide range of reasons – some near-term, some looking far into the future. Asked about the personal and financial milestones they want to achieve over the next three years, survey respondents listed a variety of goals, from going on a holiday (50%), to becoming debt free (34%) or saving for something big (25%).

Among investors, the most common goal in investment selection is to build a sustainable income stream, suggesting that income-oriented investment options will continue to be in demand. Interestingly, next generation investors are particularly likely to focus on income, perhaps reflecting a desire for day-to-day independence among a generation that increasingly sees home ownership as undesirable or unachievable. In contrast, retirees place a higher priority on asset and income protection (21%), although 27% are still focused on capital growth – either on its own, or in balance with risk management.

FIGURE 12
PERSONAL AND FINANCIAL GOALS

Which of the following personal or financial milestones are you aiming to achieve in the next three years?
(All respondents)

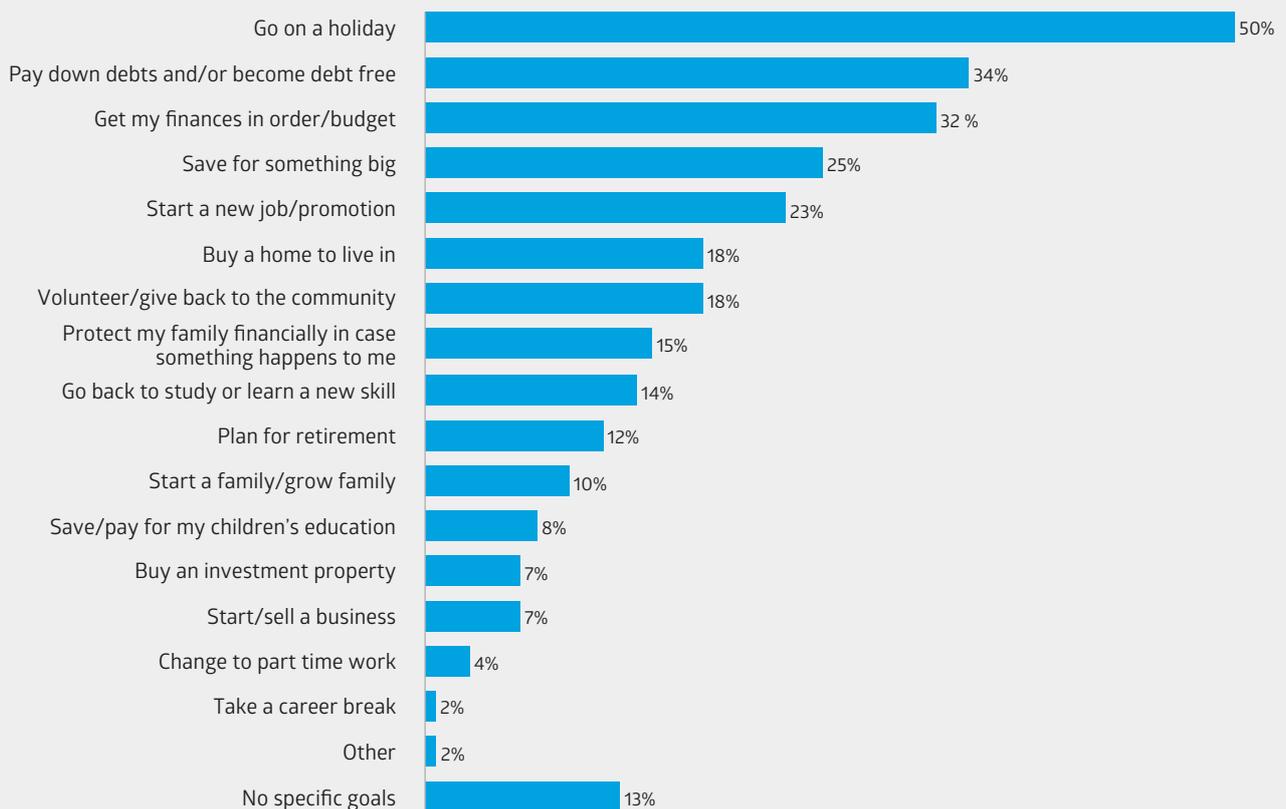
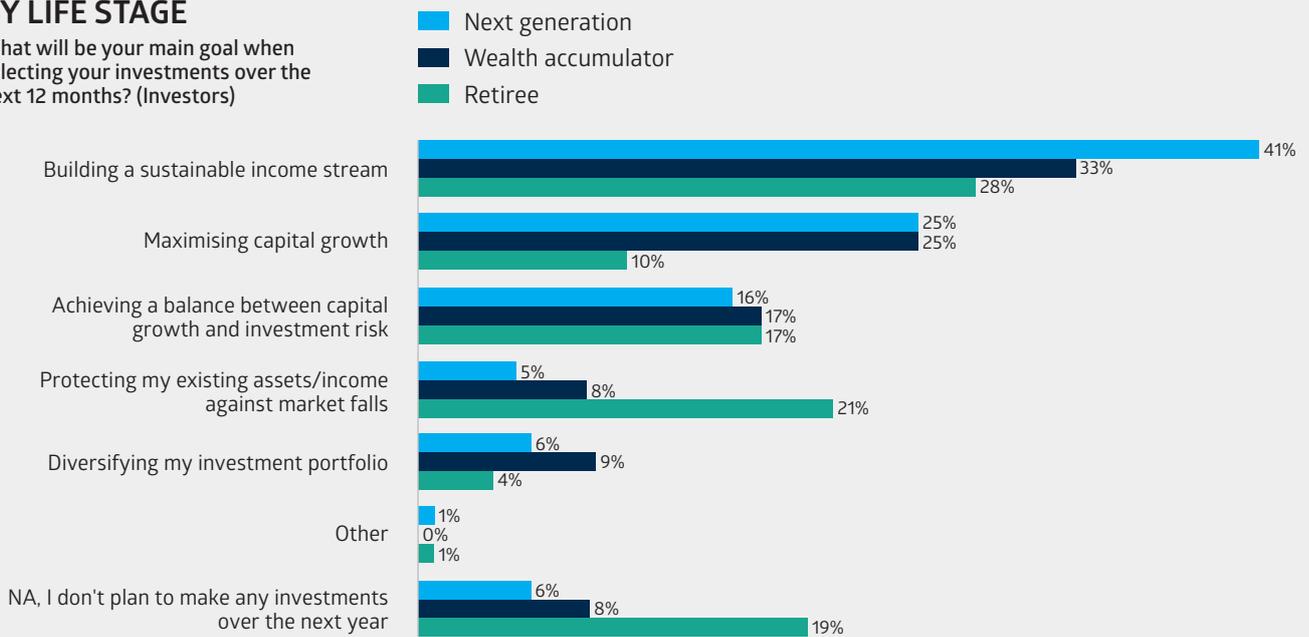


FIGURE 13

INVESTMENT GOALS BY LIFE STAGE

What will be your main goal when selecting your investments over the next 12 months? (Investors)



36%

OF INVESTORS SAY THEIR GOALS HAVEN'T CHANGED

Against this backdrop, the three months to May 2020 saw a marked shift in investment goals, with a significant number moving the dial to growth. While 36% say their goals haven't changed, 16% say they will focus more on maximising capital growth, while another 11% say they will place a greater emphasis on balancing growth with risk.

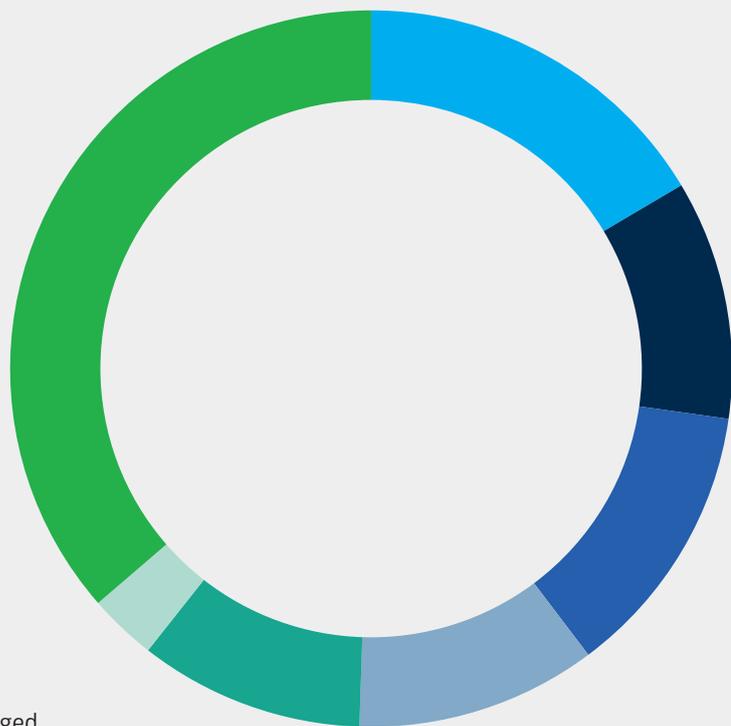
FIGURE 14

INVESTMENT GOALS IN THE WAKE OF COVID-19

How have your investment goals changed in the last three months (March-May 2020)? (Investors)

Focusing more on:

- **16%** Maximising capital growth
- **12%** Building a sustainable income stream
- **11%** Achieving a balance between capital growth and investment risk
- **11%** Diversifying my investment portfolio
- **10%** Protecting my existing assets/income against market falls
- **3%** Other
- **36%** N/A, my investment goals haven't changed



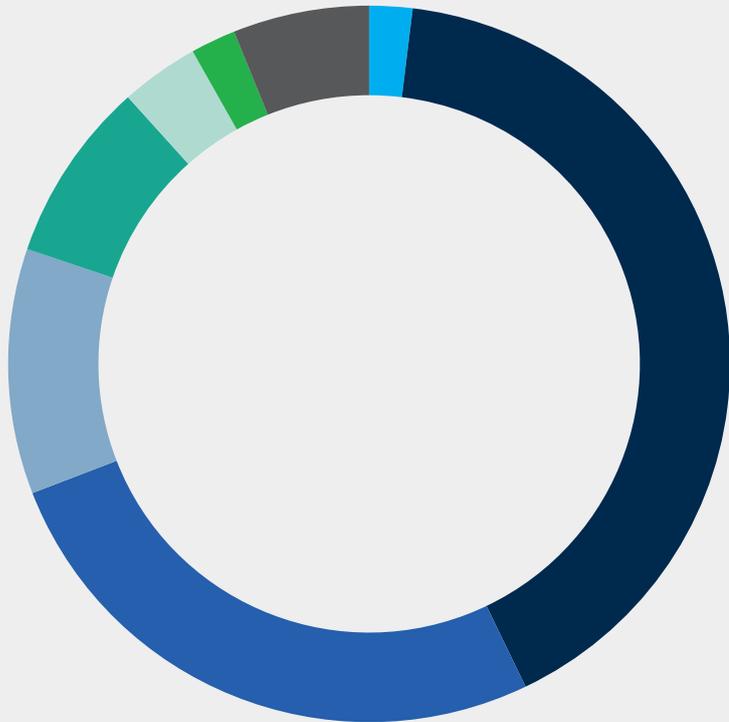
WHERE AUSTRALIANS INVEST

Our survey shows Australians understand they don't need large amounts of capital to invest, and that listed investments can be an accessible method of building wealth for the future. Among those currently investing outside their homes and super, the median portfolio size was \$130,000, with 41% of portfolios under \$100,000 and 28% under \$50,000. The amount non-investors believe they need to start investing has also fallen by more than a third since our last study in 2017, from a median of \$6,800 to just \$4,300.

FIGURE 15
FROM LITTLE THINGS, BIG THINGS GROW

What is the size of your investment portfolio? (Investors)

- 2% No investments
- 41% < \$100k
- 26% \$100k - \$500k
- 11% \$500k - \$1m
- 8% \$1m - \$2.5m
- 4% \$2.5m - \$5m
- 2% > \$5m
- 6% I'd rather not say



MEDIAN INVESTMENT PORTFOLIO

\$130k

Australian direct shares are by far the most widely held asset class, owned by 58% of investors. That compares to just 38% of investors who hold residential investment properties and 28% who hold term deposits (still surprisingly popular, despite record low interest rates). Nonetheless, residential property comprises more than half of the median portfolio by value, reflecting its significant entry cost. In contrast, ETFs, while held by 15% of investors, account for just 2% of investments by value, reflecting their appeal to investors with limited capital as a vehicle for cost-effective diversification.

The vast majority of investors (86%) hold at least some investments in their own names, either in a personal or joint account. However, while just 5% of Australians and 10% of investors have an SMSF, those investors account for an outsized proportion of assets. On average, SMSF investors have a total portfolio of \$1.8 million including SMSF but excluding home and other superannuation, and more than half of SMSF investors (54%) have total portfolios over \$1 million.

58%

OF INVESTORS HOLD AUSTRALIAN DIRECT SHARES

54%

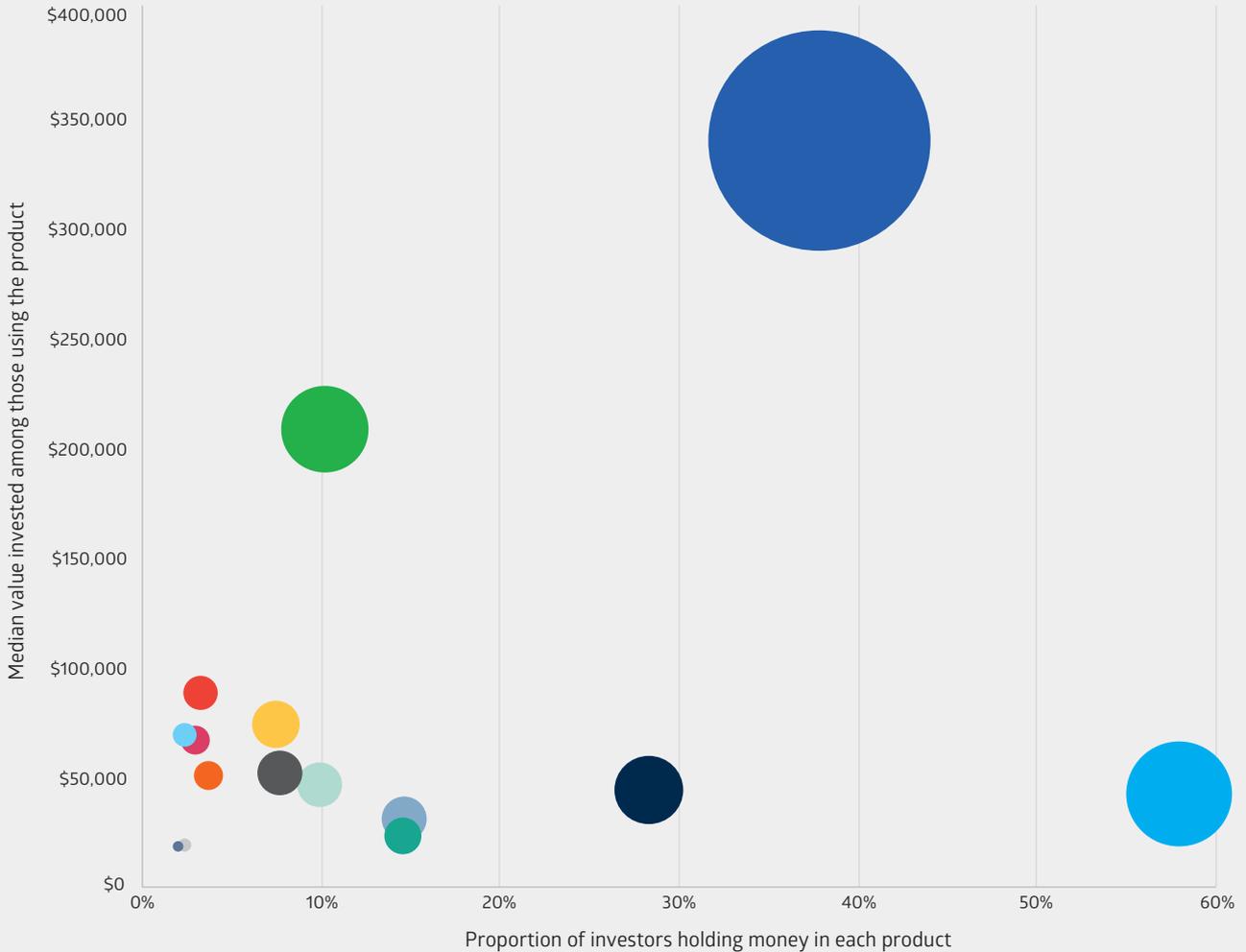
OF SMSF INVESTORS HAVE TOTAL PORTFOLIOS OVER \$1 MILLION

FIGURE 16

SHARES REMAIN AUSTRALIA'S MOST POPULAR INVESTMENT OPTION

Median amount invested versus proportion of investors holding each investment type (Investors).

Bubble size represents the proportion represented in the average investor portfolio.



13%	\$41,960	Shares listed on an Australian exchange, held directly
56%	\$338,261	Residential investment property
5%	\$43,895	Term deposits
2%	\$30,725	Shares listed on an international exchange, held directly
2%	\$23,192	Exchange traded funds (ETFs)
2%	\$45,720	Listed investment companies (LICs)
9%	\$207,347	Other investment property
2%	\$51,782	Real Estate Investment Trusts (REITs)
2%	\$73,423	Unlisted managed funds
1%	\$50,173	Government/corporate bonds
1%	\$87,801	Hybrid securities
1%	\$66,416	Infrastructure funds
0%	\$19,372	Options (ETOs)
1%	\$68,973	mFunds
0%	\$18,040	Futures

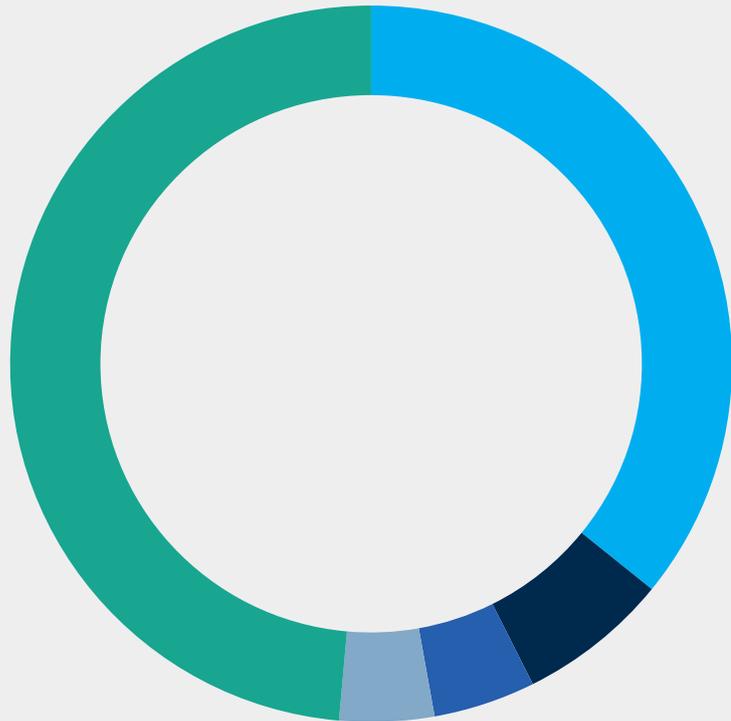
FIGURE 17

INVESTMENT VEHICLES

Which of the following investments do you have outside your home and super? (All respondents)

Investments held in:

- 40% Personal capacity (own or joint names)
- 8% Family trust
- 5% SMSF
- 5% Company structure
- 54% None of these



A NEW GENERATION

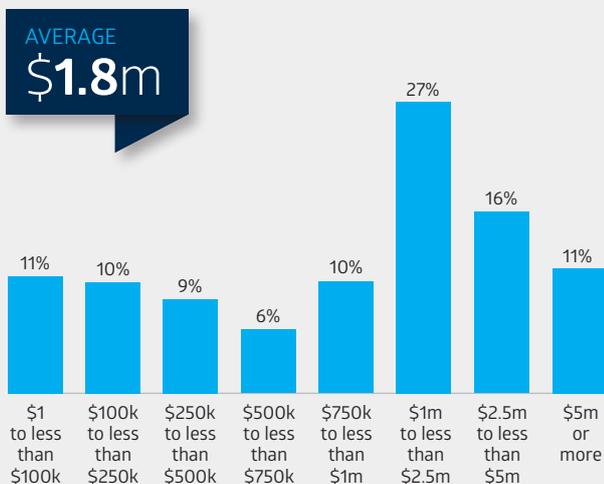
OF INVESTORS BEGINS TO PLAN FOR RETIREMENT

SMSF numbers could be set to increase over the next few years, as a new generation of investors begins to plan for retirement. Twenty-seven per cent of non SMSF investors say they are likely to set one up in future, including 9% who say they are likely to do so within a year.

FIGURE 18

SMSF INVESTOR PORTFOLIO SIZE

Total portfolio size including SMSF, but excluding home and any other super (SMSF investors)



Total SMSF portfolio size (SMSF investors)



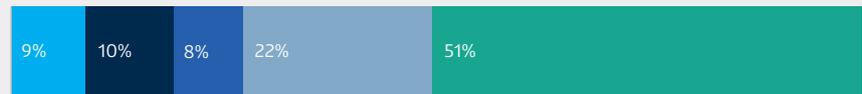
While most of those interested in starting an SMSF are early wealth accumulators (aged between 25 and 44), around a quarter are next generation investors aged 24 and under. That trend could be accelerated by a higher superannuation guarantee contribution rate, scheduled to increase 0.5% a year to 12% by FY2026, driving higher super balances at a younger age. It also suggests there are significant opportunities for advisers, brokers and wealth managers to tap into this groundswell of interest with offerings designed to appeal to both new and existing SMSF investors, particularly younger investors seeking guidance on SMSF establishment and investment strategies.

FIGURE 19

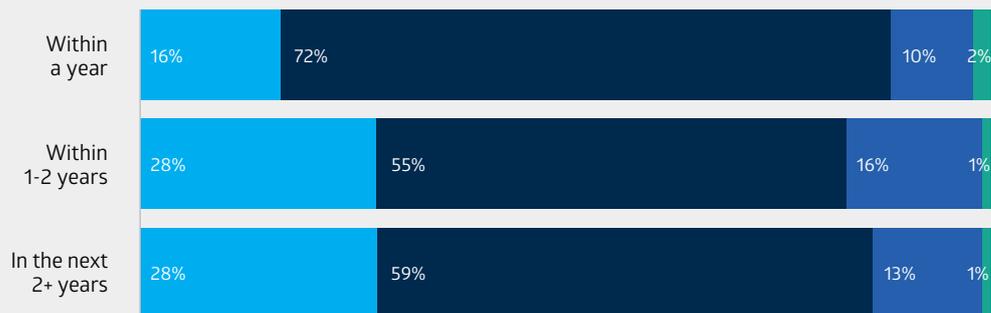
INTENTION TO SET UP AN SMSF

Are you likely to set up an SMSF in the future? (Non-SMSF investors)

- Yes, in the next 12 months
- Yes, in the next 12-24 months
- Yes, in the next 2+ years
- Don't know/unsure
- No, I'm not planning to set up an SMSF



- Next generation
- Early wealth accumulators
- Mature wealth accumulators
- Retirees



HOW AUSTRALIANS INVEST

61%

OF INVESTORS CHECK THEIR PORTFOLIOS AT LEAST ONCE A MONTH

Investors consider a wide range of factors when making investment decisions, from ethical concerns to tax effectiveness. Asked to name their top three considerations, survey respondents were most likely to evaluate the potential return (65%), followed by potential risk (48%) and their personal circumstances (40%). However, around one in three also considered the need for diversification – a proportion likely to have increased in the wake of COVID-19.

Most investors are actively engaged with their investments, with 61% checking their portfolios at least once a month – although 7% only do so annually, and 4% say they never do so. For stockbrokers, these frequent touchpoints are an ongoing opportunity to engage and educate clients, keeping them informed about new market developments and product offerings.

While attitudes to risk vary by life stage, investors become more risk tolerant as they gain investment experience. Asked to rate their attitude to risk in January 2020, 46% of current investors said they would accept moderate or higher variability with the potential for higher returns, compared to 35% of lapsed investors, 26% of intending investors, and just 15% of non-investors. As we noted above, that number rose to 64% in the wake of recent market volatility, suggesting that the experience of navigating volatile markets has made at least some investors more resilient, rather than less so.

FIGURE 20

A FOCUS ON RISK AND RETURN

What are your top three considerations when making investment decisions? (Investors)

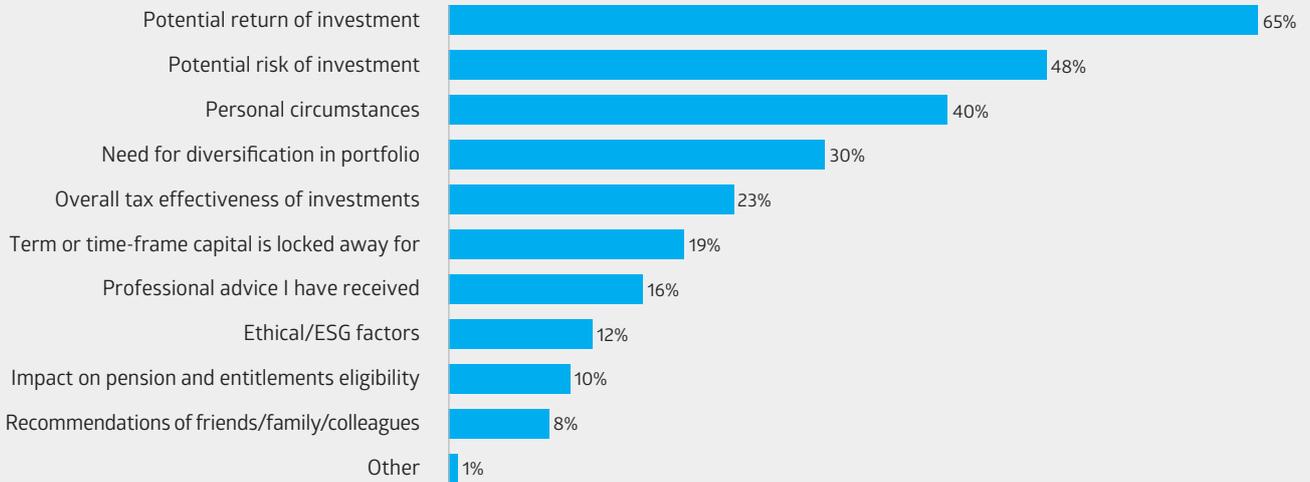
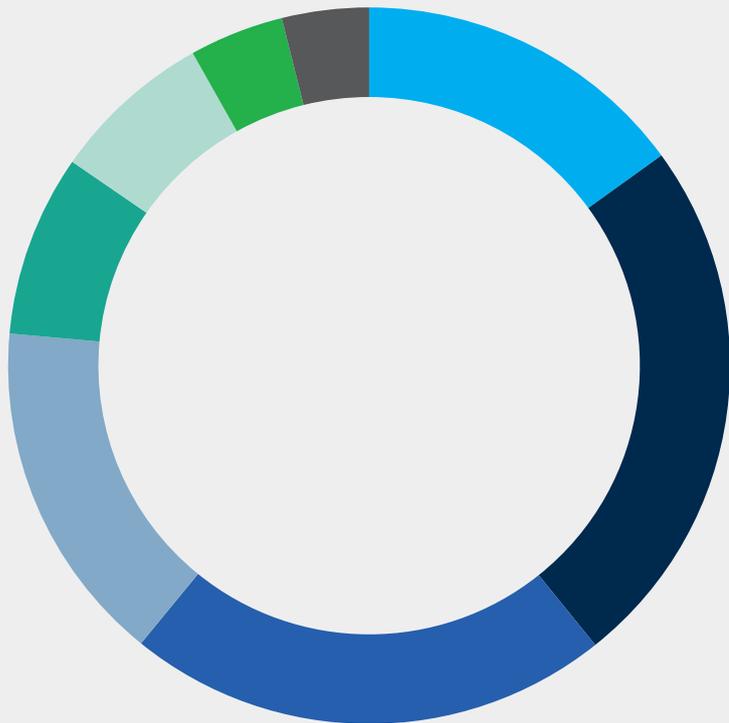


FIGURE 21

MOST INVESTORS ARE ACTIVELY ENGAGED

How often did you view or review your overall portfolio in the last 12 months? (Investors)

- 15% Daily
- 24% Weekly
- 22% Monthly
- 16% Every quarter
- 8% Twice a year
- 7% Annually
- 4% Never
- 4% Don't know/unsure



NUMBER OF DAYS BETWEEN REVIEWS
MEDIAN[^]

14

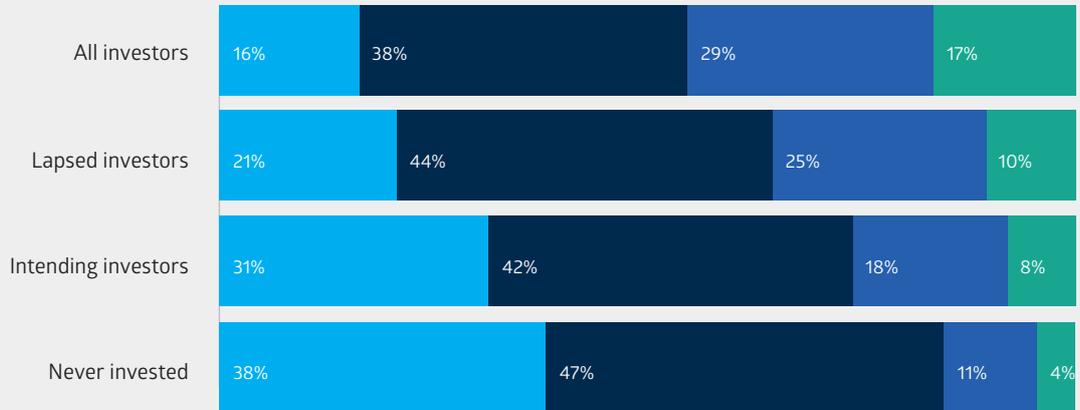
[^]Medians calculated excluding those who said 'Never' or 'Don't know/unsure'.

FIGURE 22

ATTITUDES TO RISK

How would you describe your attitude to financial and investment risk? (All respondents)

- I prefer guaranteed returns
- I prefer stable, reliable returns
- I'd accept moderate variability in returns
- I'd accept higher variability with the potential for higher returns



INDIVIDUAL INVESTORS HAVE REACTED TO MARKET VOLATILITY, USING FALLING PRICES TO EXPAND AND DIVERSIFY THEIR PORTFOLIOS

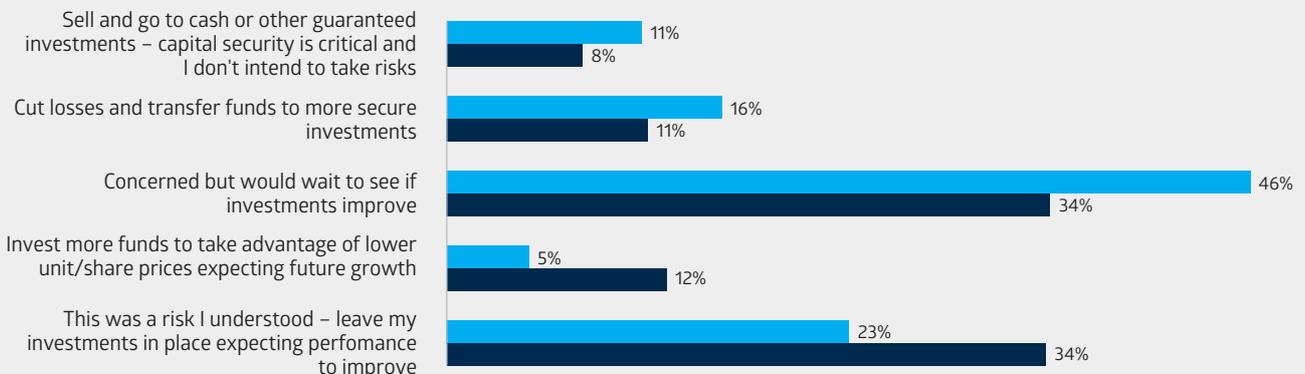
A similar pattern emerged when we asked investors how they would respond to a sudden 20% fall in their investment balance. Nineteen per cent of investors in our January 2020 survey said they would cut their losses and move to cash or more secure investments (down from 27% in 2017), while 12% said they would invest more to take advantage of lower prices (up from 5%). Yet when investors actually experienced a 20%-plus fall in asset prices during the first three months of 2020, only 3% decreased their allocation to Australian shares, while 17% invested all their spare cash. Once again, it seems that individual investors have reacted to market volatility with some sophistication, using falling prices to expand and diversify their portfolios.

FIGURE 23

RESPONDING TO A CORRECTION

How would you react if you woke up tomorrow and found your investment balance had dropped 20%? (Investors, Jan 2020)

- 2017
- 2020



AUSTRALIA'S MOST TRUSTED FINANCIAL ORGANISATIONS

Our survey shows that Australians generally have a high level of trust in both ASIC and ASX, rating them ahead of accountants, super funds and the major banks. Among the one in two Australians who have an opinion about ASX, 46% say it runs a well-regulated market and 35% say it's a world-class exchange.

High value investors (HVIs) and retirees are most likely to rate ASX highly, while non-investors are least likely to do so – suggesting that those who rely strongly on ASX services are most likely to view it positively.

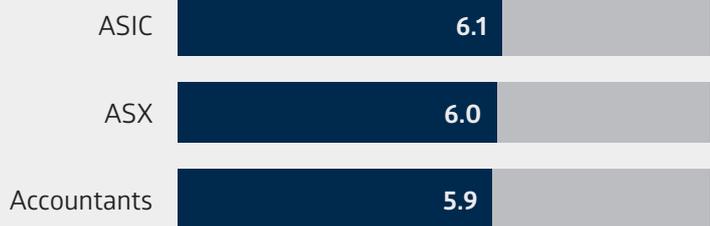
FIGURE 24
ATTITUDES TO FINANCIAL ORGANISATIONS



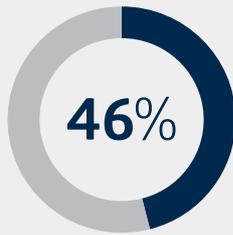
1 IN 2
AUSTRALIAN ADULTS VISITED THE ASX WEBSITE IN THE LAST 12 MONTHS



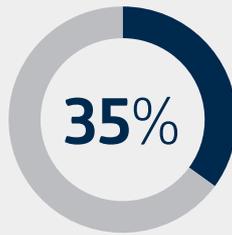
AUSTRALIA'S MOST TRUSTED FINANCIAL SERVICES ORGANISATIONS
(RATED OUT OF 10)



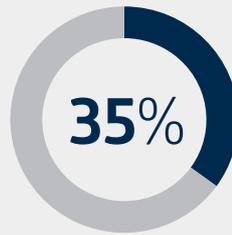
AMONG THE **53%** WHO HAVE A VIEW ON THE ASX



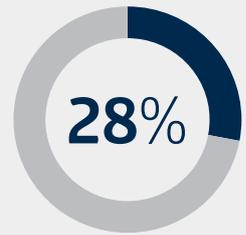
SAY IT RUNS A WELL-REGULATED MARKET



SAY IT'S A WORLD-CLASS EXCHANGE



SAY IT PROVIDES OBJECTIVE, UP-TO-DATE INFORMATION



SAY IT PROVIDES CRITICAL INVESTMENT INFRASTRUCTURE



INVESTMENT STRATEGIES

Navigating a challenging environment

The three years since our last investor study have been marked by a challenging and complex investment environment, with record low interest rates, increased liquidity from central bank stimulus, and high levels of market volatility in the wake of COVID-19. Our survey shows investors actively responding by drawing on a wide range of sources and considering multiple factors to make investment decisions. There has also been significant growth in the use of ETFs as a tool for affordable and diversified market exposure.

Nonetheless, there is still scope for professional advisers, brokers and investment educators to help investors further improve their skills. While a growing number have come to appreciate the benefits of diversification, many still have portfolios concentrated in a few asset types. A significant number of investors have also become more likely to seek advice after COVID-19. And while many still believe advice is only for those with large amounts to invest, 63% of Australians remain open to receiving advice in the future.

FIGURE 25
KEY FINDINGS

TOP INVESTMENT CHALLENGES



NEXT GENERATION INVESTORS
UNDER-PERFORMANCE AND HIDDEN FEES



WEALTH ACCUMULATORS
MARKET VOLATILITY AND INFORMATION OVERLOAD



RETIREES
MARKET VOLATILITY AND LOW INTEREST RATES

VIEWS OF ADVICE

63%

OF AUSTRALIANS ARE OPEN TO RECEIVING FINANCIAL ADVICE

27%

OF INVESTORS USED AN ADVISER, BROKER OR WEALTH MANAGER IN THE LAST 12 MONTHS

17%

ARE MORE LIKELY TO SEEK ADVICE AFTER COVID-19



1 IN 2
NEW INVESTORS USE ROBO-ADVICE OR MICRO-INVESTING PLATFORMS, OR PLAN TO DO SO

DIVERSIFIED INVESTORS



MORE LIKELY TO HOLD ETFs, INTERNATIONAL DIRECT SHARES, LICs AND MANAGED FUNDS

ETFs AND NEXT GENERATION INVESTORS

8%

BOUGHT AN ETF AS THEIR FIRST INVESTMENT

16%

BOUGHT AN ETF IN THE LAST 12 MONTHS

45%

PLAN TO INVEST IN ETFs IN NEXT 12 MONTHS

INVESTMENT DECISION MAKING

22%

OF RETIREES DRAW ON
PROFESSIONAL ADVICE

While investors at all life stages tend to consider a wide range of factors before making an investment decision, there are differences in the relative focus they give to specific factors. Next generation investors are the group most likely to consider ethical and ESG factors, together with the length of time their capital will be locked away. They are also most likely to be influenced by the recommendations of friends and family. In contrast, retirees place the highest emphasis on both risk and diversification, with 22% drawing on professional advice. Wealth accumulators, many of whom have young families and large mortgages, are most likely to give priority to their personal circumstances at the time they invest.

Investors in different life stages also face very different challenges in their decision-making. While next generation investors struggle with knowing what investments to select and how much to invest, retirees are challenged by market volatility and the low interest rate environment as they seek to generate a stable income stream. Meanwhile, time-poor wealth accumulators are the group most likely to say that information overload is a key issue.

FIGURE 26
KEY DECISION-MAKING
DRIVERS

What are your top three considerations when making investment decisions? (Investors)

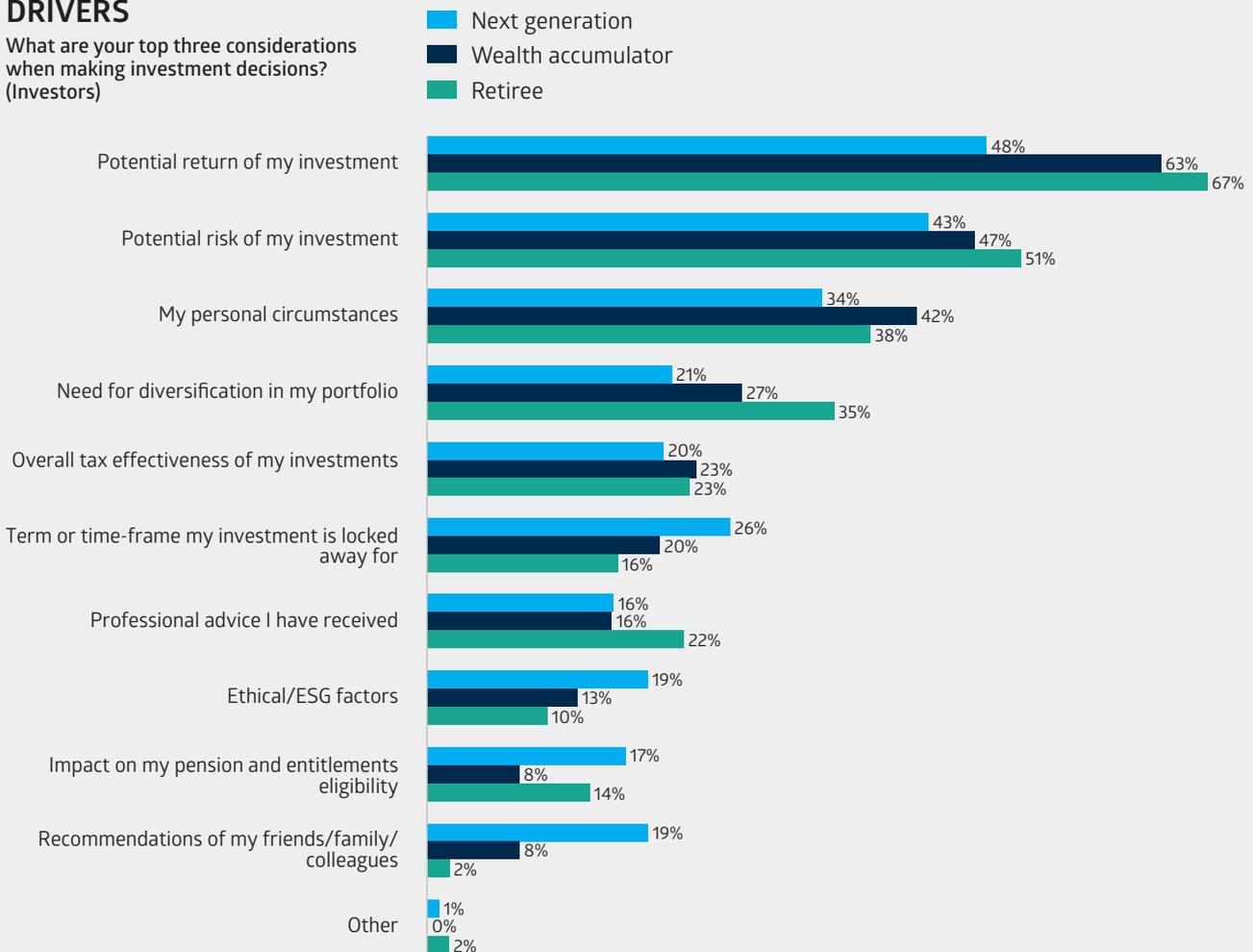
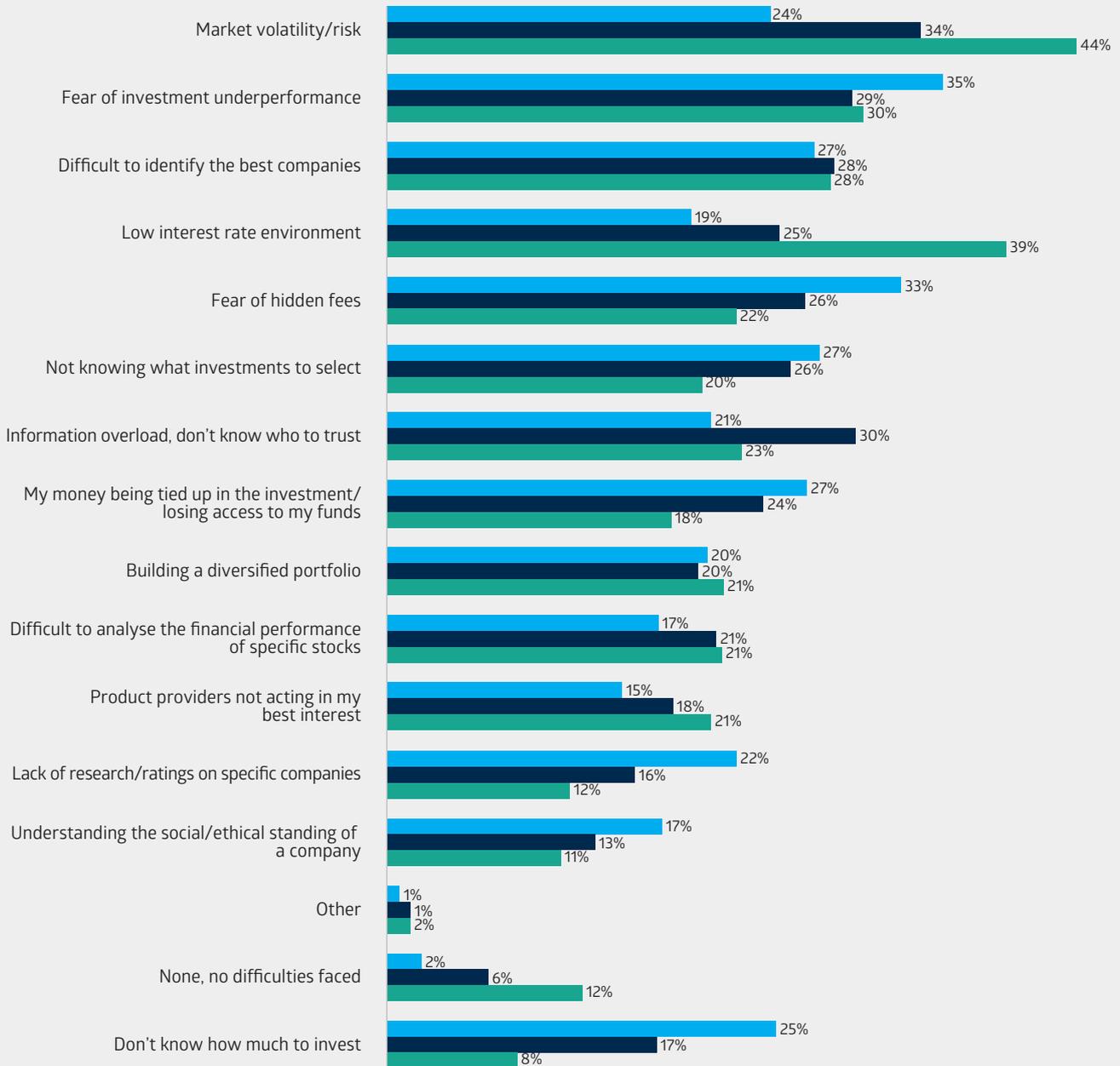


FIGURE 27

CHALLENGES FOR INVESTORS

What are the top challenges you face when making investment decisions? (Investors)

Next generation
Wealth accumulator
Retiree



DIVERSIFICATION

While our survey shows most investors accept the importance of managing risk, only around three in 10 say that diversification is one of their top three considerations in investment selection. Many also admit that their portfolios are not diversified, including around one in three female investors, next generation investors and wealth accumulators.

There are also clear links between diversification, experience and portfolio size, with older investors and those with larger portfolios most likely to rate their investments as diversified. Yet self-assessed levels of diversification have also increased in the wake of COVID-19, with 60% of investors saying their portfolios are diversified in May 2020, up from 54% four months earlier.

FIGURE 28

DIVERSIFICATION BY INVESTOR TYPE

Do you have a diversified investment portfolio? (Investors)

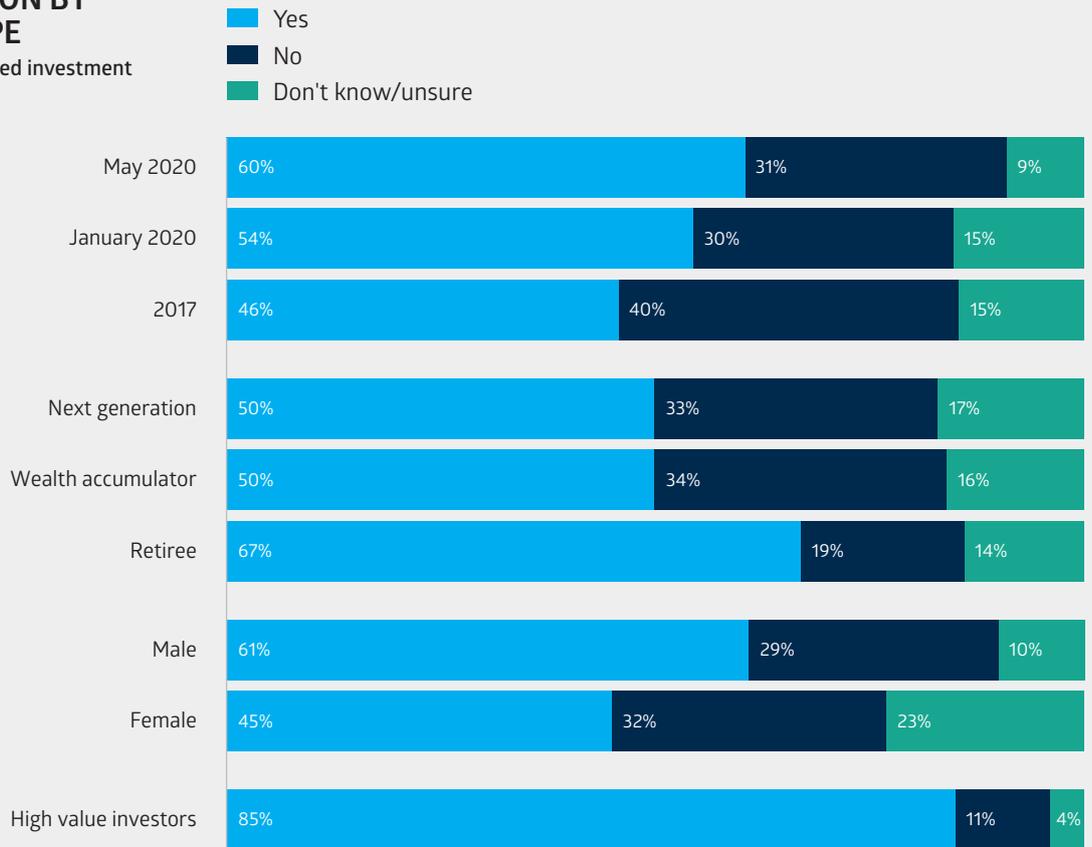
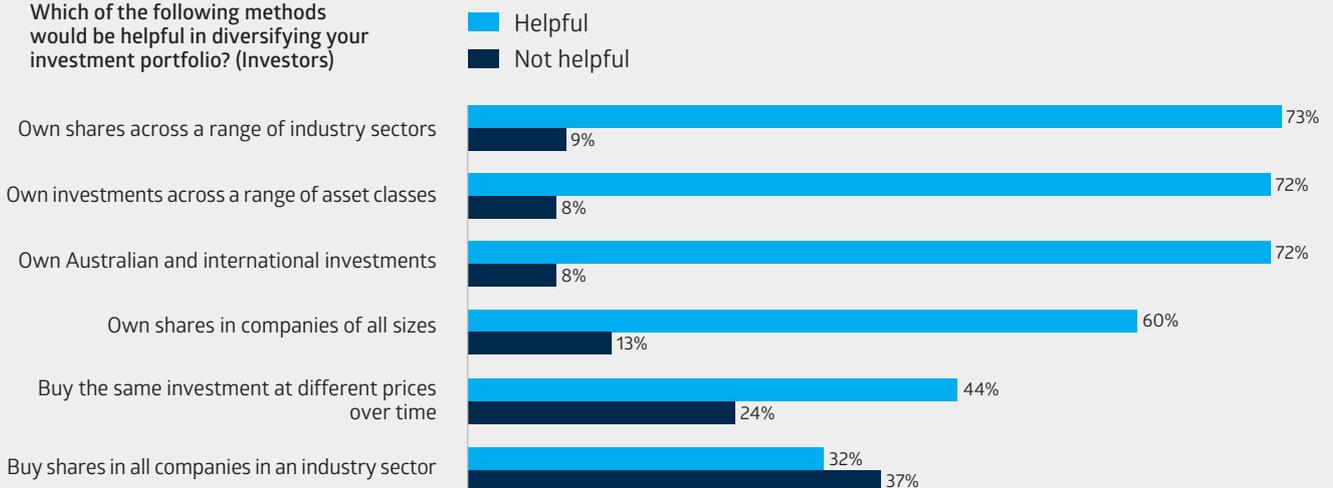


FIGURE 29

DIVERSIFICATION TECHNIQUES

Which of the following methods would be helpful in diversifying your investment portfolio? (Investors)

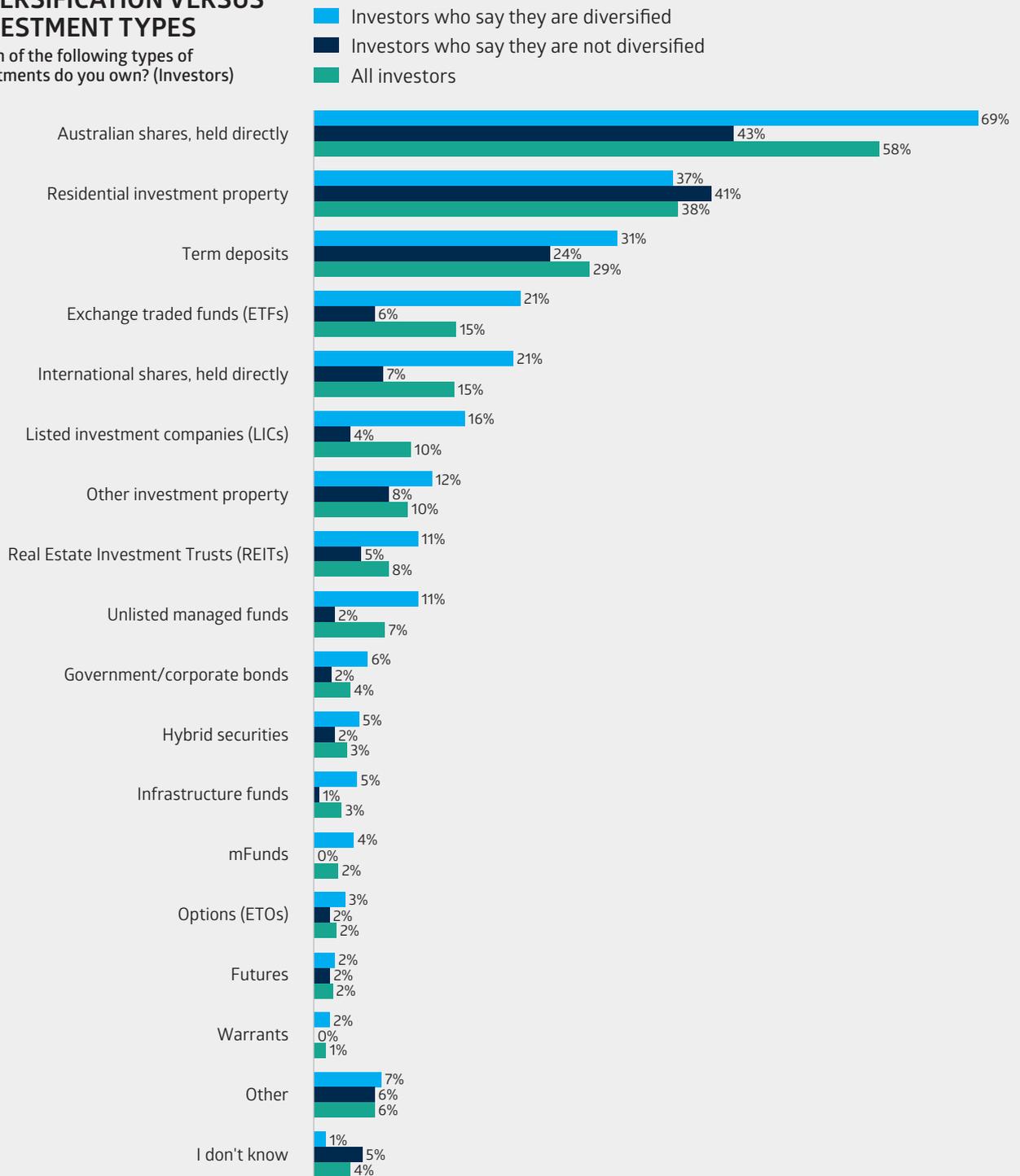


All of these findings suggest that advisers and brokers have an important role to play in helping investors understand and implement diversification strategies, and that a focus on diversification could be effective in promoting investment services to newly sensitised investors.

FIGURE 30

DIVERSIFICATION VERSUS INVESTMENT TYPES

Which of the following types of investments do you own? (Investors)

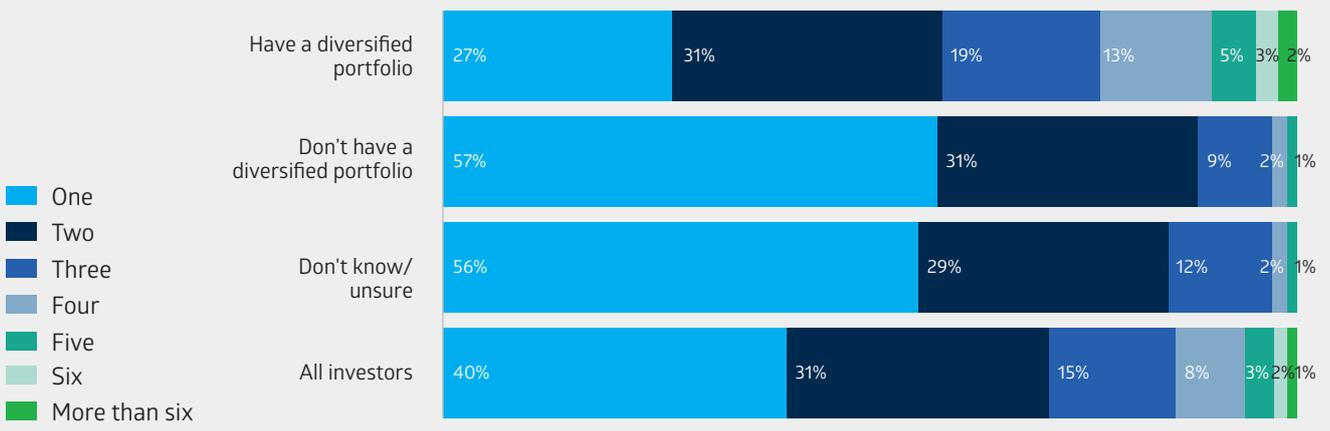


Asked to rate different diversification techniques, investors are most likely to affirm the effectiveness of diversifying across asset classes, sectors and countries. Fewer are convinced of the value of diversification by company size or the effectiveness of dollar cost averaging – another point on which targeted education would be useful.

Investors who believe they are well diversified hold an average of 2.6 investment types, compared with 1.6 among those who say they are not diversified. They are also significantly more likely to hold ETFs, international direct shares, LICs and managed funds. Yet only a small proportion hold corporate or government bonds outside their super, while 58% have all their money invested in one or two types of investment product. While a number of these investors may be achieving genuine diversification through a multi-asset class managed fund, LIC or ETF, others are likely to be less diversified than they believe, underlining the potential need for professional guidance.

FIGURE 31
DIVERSIFICATION
VERSUS NUMBER
OF PRODUCTS HELD

How many products does your investment portfolio have money invested in? (Investors)



THE RISE OF THE ETF

ETFs
HAVE BECOME INCREASINGLY
IMPORTANT AS A
DIVERSIFICATION TOOL

16%

OF NEXT GENERATION INVESTORS
BOUGHT AN ETF IN THE LAST
12 MONTHS

ETFs have become increasingly important as a diversification tool, an entry level investment for new investors, and a preferred vehicle for next generation investors. Our survey underlines their role in further democratising investment in Australia by providing an accessible, low-cost option for those with relatively little capital and limited stock selection experience.

Younger investors, in particular, are more likely than older demographic groups to begin investing by buying an ETF, with 8% of next generation investors choosing an ETF as their first ever investment.

There are also signs that their popularity with younger investors is growing. In the 12 months before our January survey, 16% of next generation investors had bought ETFs, compared to 24% who had bought shares.

FIGURE 32

ETFs: A POPULAR ENTRY POINT

What was your first ever investment?
(Investors)

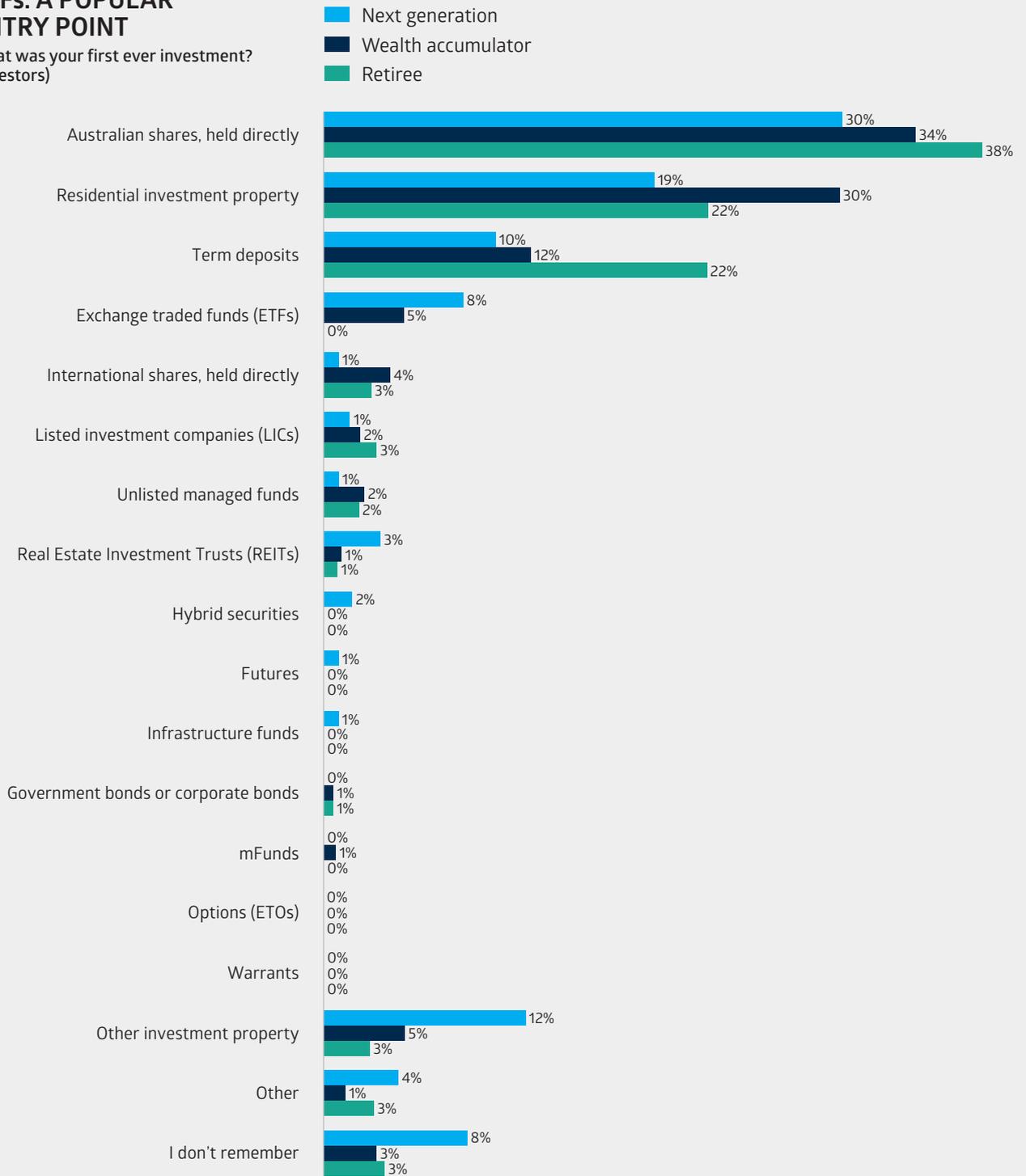
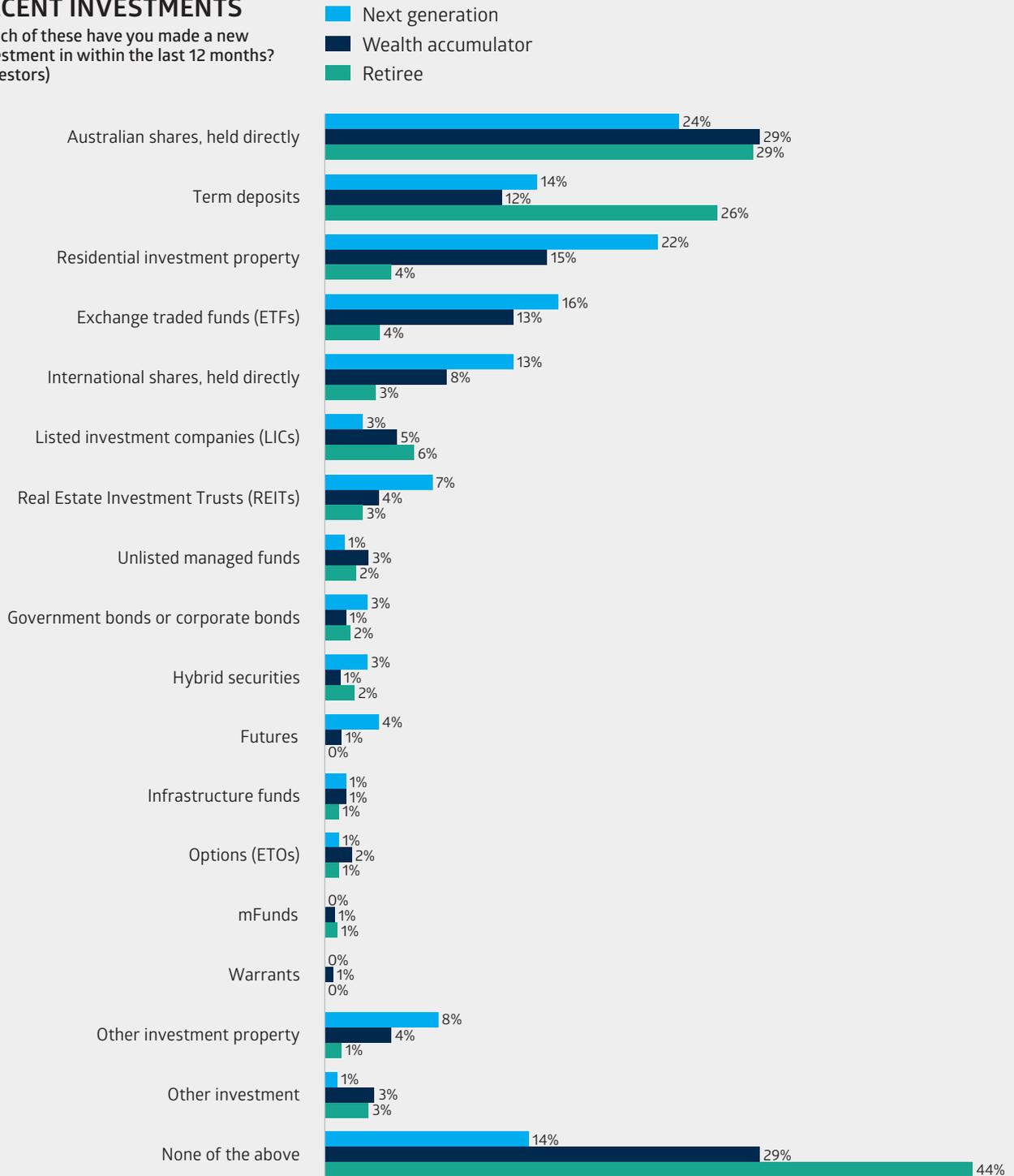


FIGURE 33

RECENT INVESTMENTS

Which of these have you made a new investment in within the last 12 months?
(Investors)

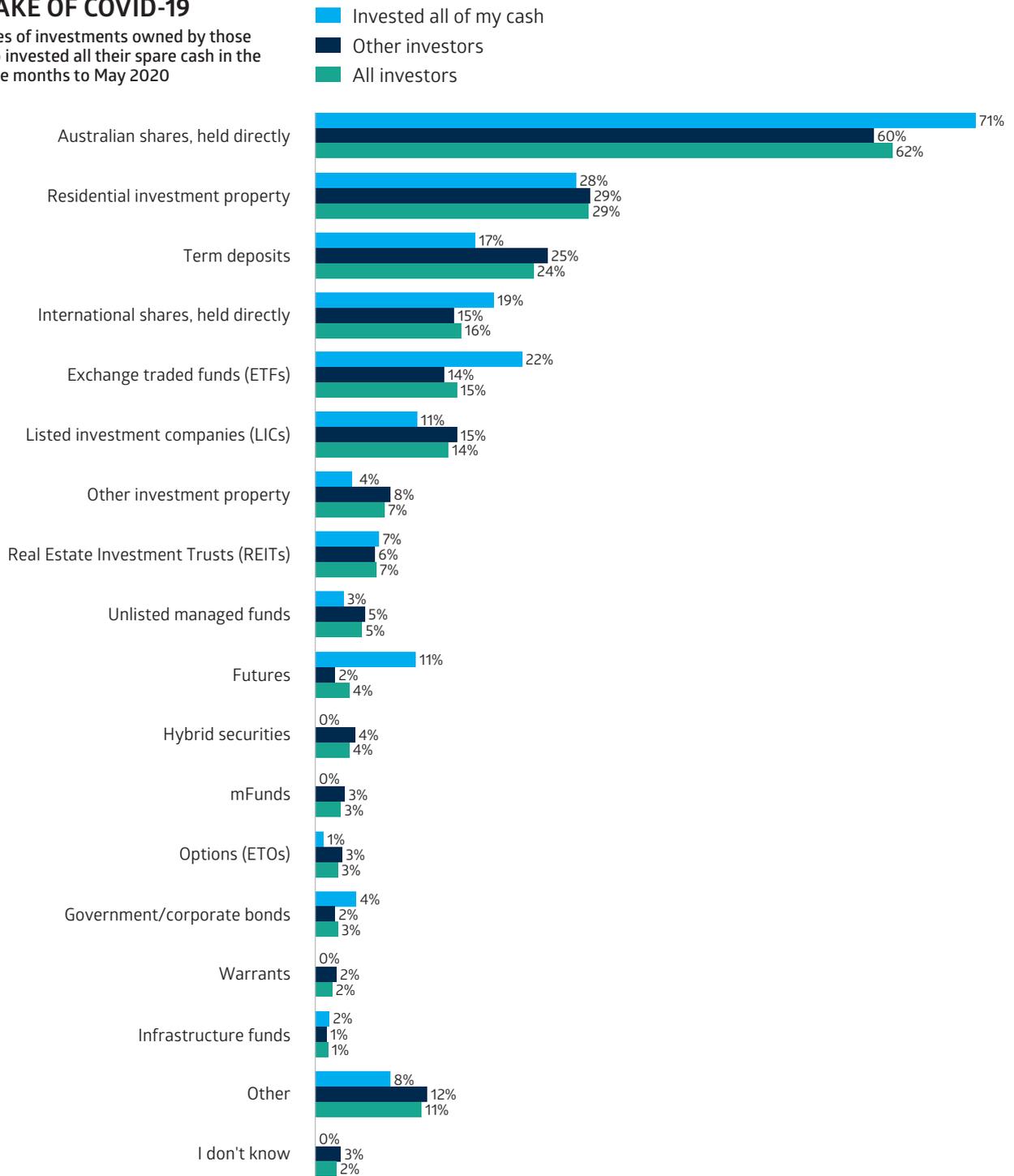


ETFs are also a popular investment choice among those who invested all their spare cash in the wake of the COVID-19 market disruption, underscoring their role as a tool for diversified market exposure.

FIGURE 34

INVESTMENTS IN THE WAKE OF COVID-19

Types of investments owned by those who invested all their spare cash in the three months to May 2020





DEMOGRAPHICS

The changing face of investing and advice

The increase in new investors over the last few years has seen a marked shift in investor demographics, particularly among those who hold listed investments. Driven by the number of women and younger Australians actively investing, this trend looks set to accelerate over the next few years, as a new wave of investors enter the market. Meanwhile, a cohort of older Australians have cemented their place as the country's highest value individual investors, with large portfolios and high trade values, many of them executed through an SMSF.

For stockbrokers and financial advisers, this is positive news, creating a growing pool of potential clients, many already active and engaged. And while there are still significant barriers preventing many Australians from seeking professional support, our research suggests that targeted engagement strategies could help overcome these barriers and reach the key demographics set to shape financial markets for years to come.

FIGURE 35
KEY FINDINGS
Three groups shaping the future of investing


NEXT GENERATION INVESTORS


FEMALE INVESTORS

AGED
18-24


HIGH VALUE INVESTORS

42%
OF CURRENT INVESTORS

10%
OF CURRENT INVESTORS

TOP
20%
BY PORTFOLIO SIZE AND TRADING VALUE

45%
OF RECENT ON-EXCHANGE INVESTORS

25%
OF RECENT ON-EXCHANGE INVESTORS

41%
HAVE AN SMSF

51%
OF INTENDING INVESTORS

27%
OF INTENDING INVESTORS

MEDIAN PORTFOLIO SIZE
\$1.2m

MEDIAN PORTFOLIO SIZE
\$90k

MEDIAN PORTFOLIO SIZE
\$50k

ON-EXCHANGE TRADING ACTIVITY (LAST 12 MONTHS):
MEDIAN NUMBER OF TRADES **20**
MEDIAN TRADE SIZE **\$17,000**

ON-EXCHANGE TRADING ACTIVITY (LAST 12 MONTHS):
MEDIAN NUMBER OF TRADES **5**
MEDIAN TRADE SIZE **\$4,250**

ON-EXCHANGE TRADING ACTIVITY (LAST 12 MONTHS):
MEDIAN NUMBER OF TRADES **10**
MEDIAN TRADE SIZE **\$4,150**



THE NEXT GENERATION

The last two years have seen an influx of younger investors into the market. Among those who began investing on a securities exchange within the last two years, a quarter are next generation investors. And this trend looks set to continue, with 27% of intending investors (those planning to begin investing within 12 months) also under 24.

Characterised by distinctive investment preferences and behaviours that distinguish them from their older peers, next generation investors want to learn more, seeking information from a wide variety of sources, including social media. Many are also inclined to seek professional help, with more than a third saying they lack the confidence to invest on their own. Comparatively risk averse, they have tended to focus on generating a reliable income stream – at least until the COVID-19 induced market plunge led to a new emphasis on capital growth. Yet they also actively seek new opportunities, monitoring their portfolios frequently, despite having relatively little capital at their disposal.

FIGURE 36
PROFILE OF A NEXT GENERATION INVESTOR

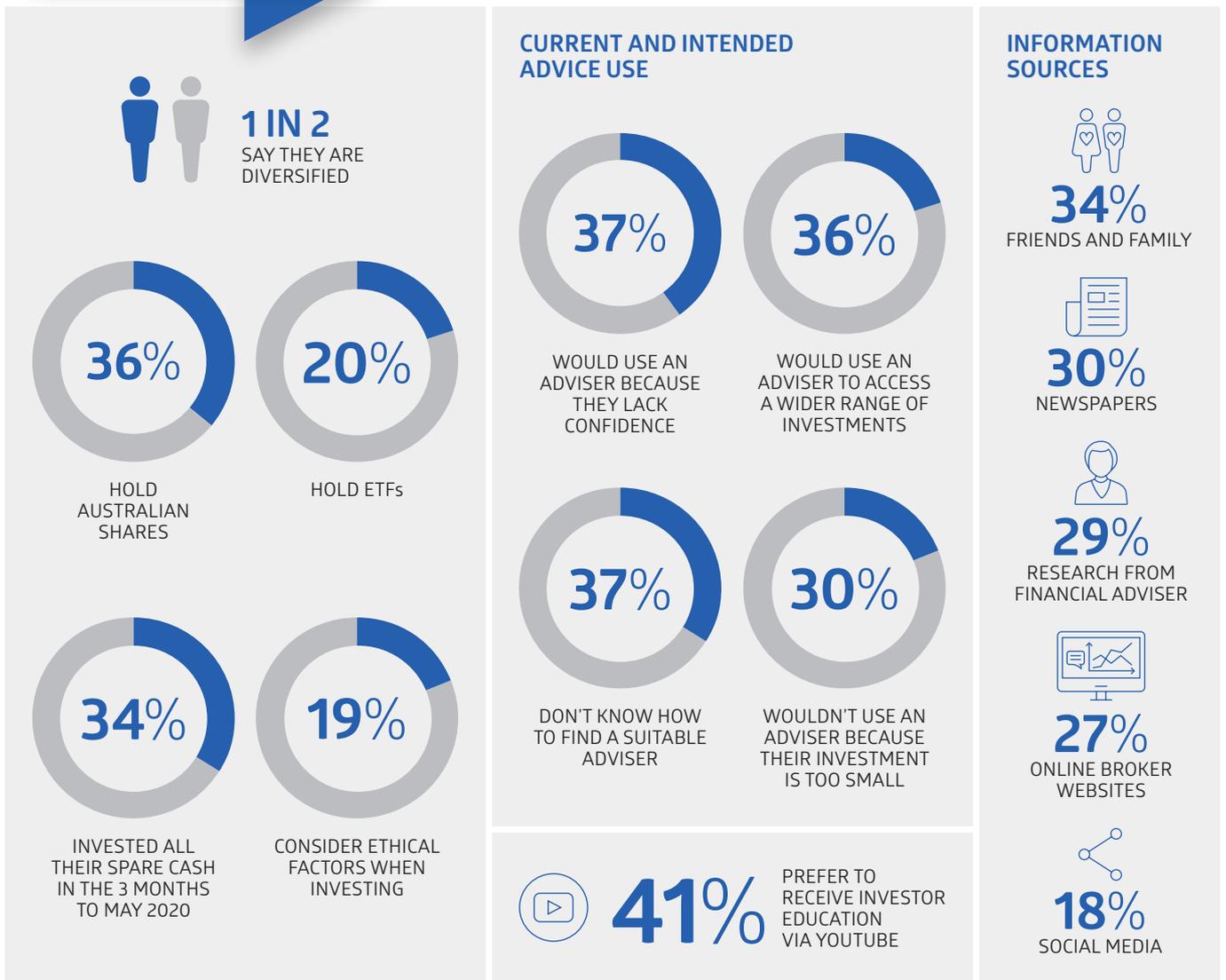
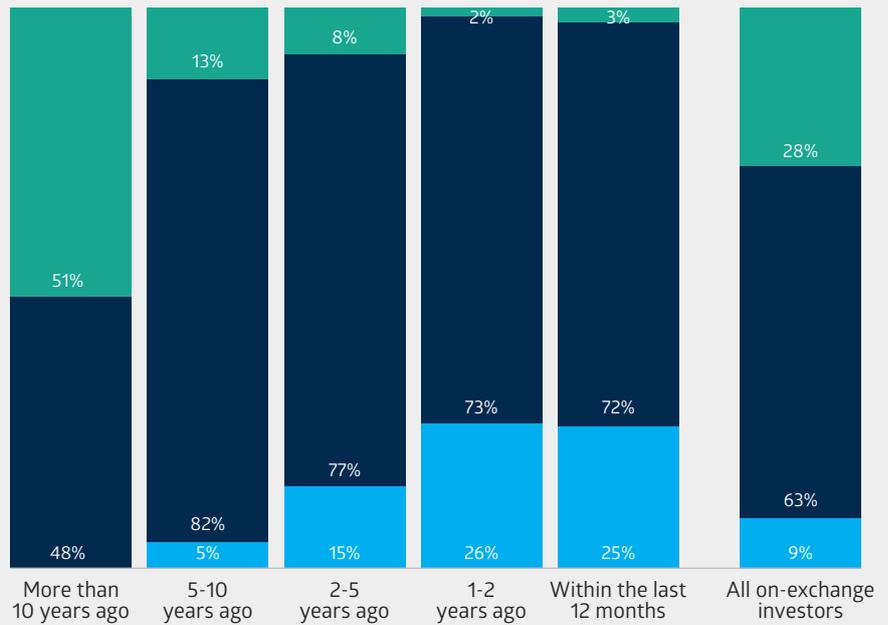


FIGURE 37

A RISING GENERATION OF NEW INVESTORS

How long ago did you begin investing?
(On-exchange investors)

Next generation
Wealth accumulator
Retiree



NEXT GENERATION INVESTORS

SHOW A RELATIVELY HIGH DEGREE OF WILLINGNESS TO SEEK ADVICE

Next generation investors are the group least likely to hold direct Australian shares (36%, compared to 77% of retirees), but most likely to hold ETFs (20% versus 7%), a convenient vehicle for low-cost diversification for an investor group that typically has smaller amounts of capital. They are also less likely than other generations to own residential property, with one in 10 holding real estate investment trusts (REITs) as an avenue for affordable property exposure.

Next generation investors were the group most likely to say they had updated their investment priorities due to the COVID-19 outbreak, placing a greater focus on diversification (64%), hedging strategies (35%), liquidity (22%) and defensive assets (21%) – refer to figure 5. They were also the group most likely to have invested all their spare cash during the market downturn (34%).

Forty-six per cent said that they had changed their investment goals to focus on maximising capital growth, although 18% preferred to focus on income.

FIGURE 38

NEXT GENERATION INVESTORS: A TASTE FOR ETFs

Which of these investment types do you own? (Investors)

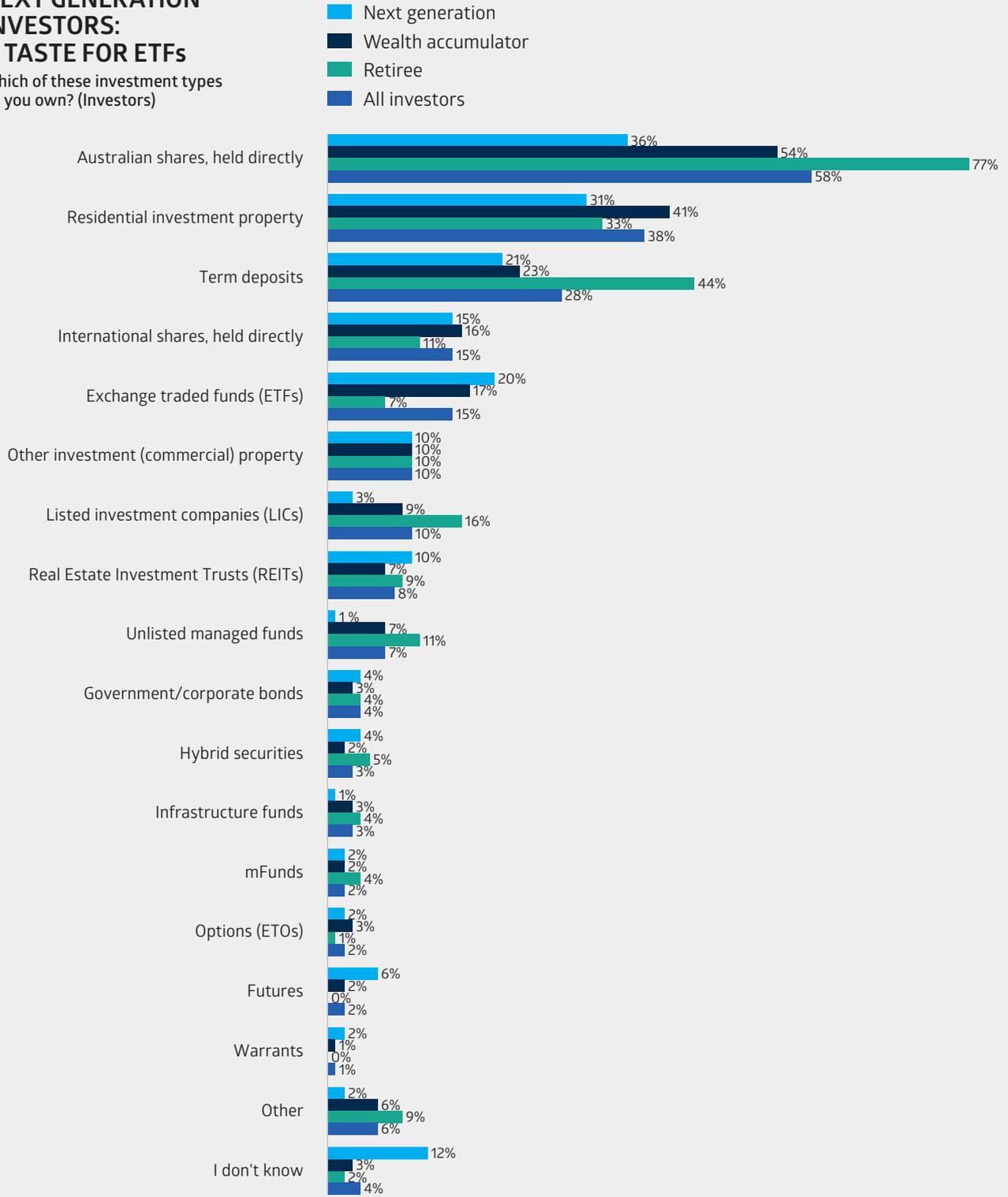


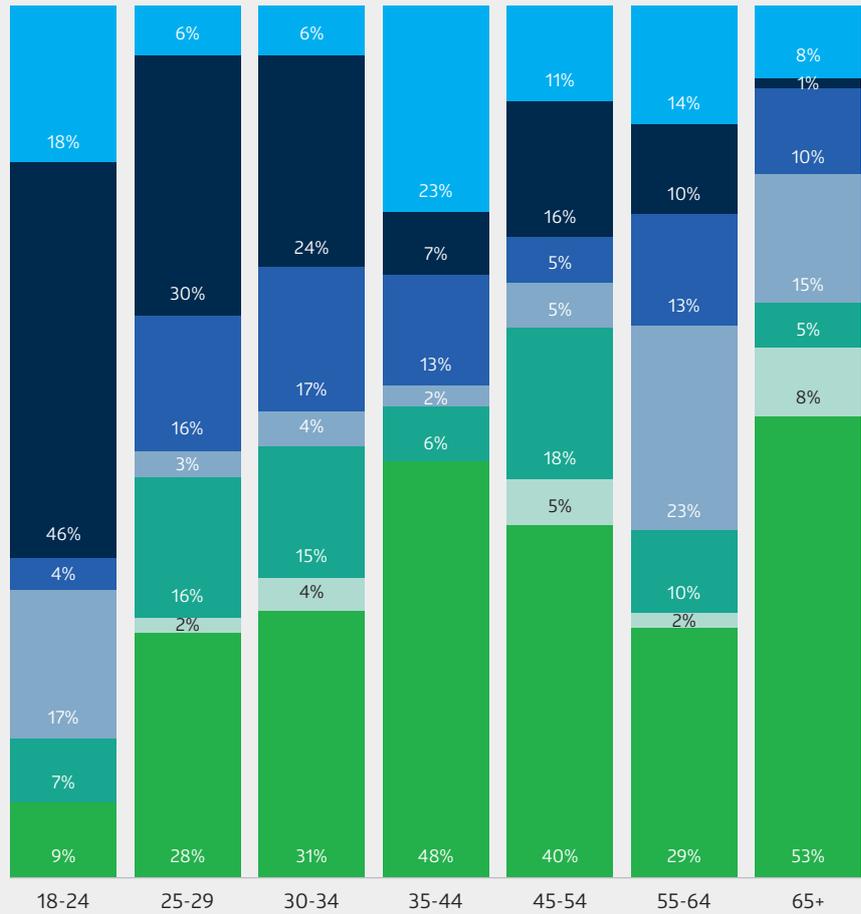
FIGURE 39

CHANGE IN INVESTMENT GOALS SINCE MARCH

How have your investment goals changed in the last three months (March–May 2020)?

Focusing more on:

- Building a sustainable income stream
- Maximising capital growth
- Achieving a balance between capital growth and investment risk
- Protecting my existing assets/ income against market falls
- Diversifying my investment portfolio
- Other
- N/A, my investment goals haven't changed



ENGAGING NEXT GENERATION INVESTORS

Young and eager to learn, next generation investors appear to value advice more than their older peers. Many express a lack of confidence in making their own investment decisions (37%), are willing to learn and are flexible in their thinking. They see advisers as the gateway to a wider range of investments (36%) and to valuable technical and administrative skills (18%).

Next generation investors are the group most likely to have used the COVID-19 market volatility as both an investment opportunity and a learning experience. Many have re-set their investment goals in the wake of the crisis, focusing more strongly on increasing diversification (64%) and maximising capital growth (46%). Yet they are also the group most likely to place a priority on ESG considerations and ethical investing. Advisers who can appeal to these investment goals and ethical concerns are most likely to succeed in connecting to this demographic.

Next generation investors actively seek information from a broad range of sources, which provides advisers and brokers with multiple engagement opportunities and potential touchpoints. On one hand, they are highly likely to seek investment ideas and information from family and friends (34%), suggesting that creating referral networks focused on younger investors could be a fruitful approach. Yet many are also active users of social media (27%) and online information sources, preferring to receive educational information by YouTube video (41%), and social messaging (16%). However, they are less likely than other generations to rely on information from online broker websites (27% versus 35% of retirees), indicating that brokers could do more to activate and educate younger clients online.

Taken together, these findings suggest that advisers and brokers can build relationships and promote their brands with tailored online education, supported where relevant by one-on-one meetings structured to appeal to their desire for authenticity and connection, as well as technical competency.

TOP 5 ACTIONS FOR ENGAGING NEXT GENERATION INVESTORS

1.

Nurture relationships with current and potential clients via social media.

2.

Use videos and online education to build your authority and appeal to their hunger for information.

3.

Tap into networks of family and friends to win referrals.

4.

Schedule one-on-one meetings to gain trust.

5.

Appeal to the heart and the head by emphasising both your technical skills and your commitment to ethical investing and the community.



FEMALE INVESTORS

The growth in new investors entering the market has also seen a sharp rise in the proportion of women investing. Forty-five per cent of those who began investing in the last 12 months were female, up from 31% among those who started five to 10 years ago. It's a trend that looks set to accelerate, with women accounting for 51% of intending investors. Nonetheless, our research suggests that there is still more work to be done for female investors to participate in investment markets to the same degree as their male counterparts.

Female investors tend to hold fewer assets, be less diversified, and more risk averse than their male counterparts. They are typically aware of fewer investment options, and more conscious of the barriers that could stop them investing. Yet they are also keen to become more knowledgeable, consulting a wide variety of information sources, and more interested in enlisting professional advice, though unwilling to pay large amounts for it.

Women are also more inclined to set a strategy and hold to it, reviewing their portfolios less often and making fewer changes in response to market movements. While this considered approach may help female investors avoid losses in times of crisis, it may also prevent them from taking advantage of emerging opportunities.

FIGURE 40
PROFILE OF
A FEMALE
INVESTOR

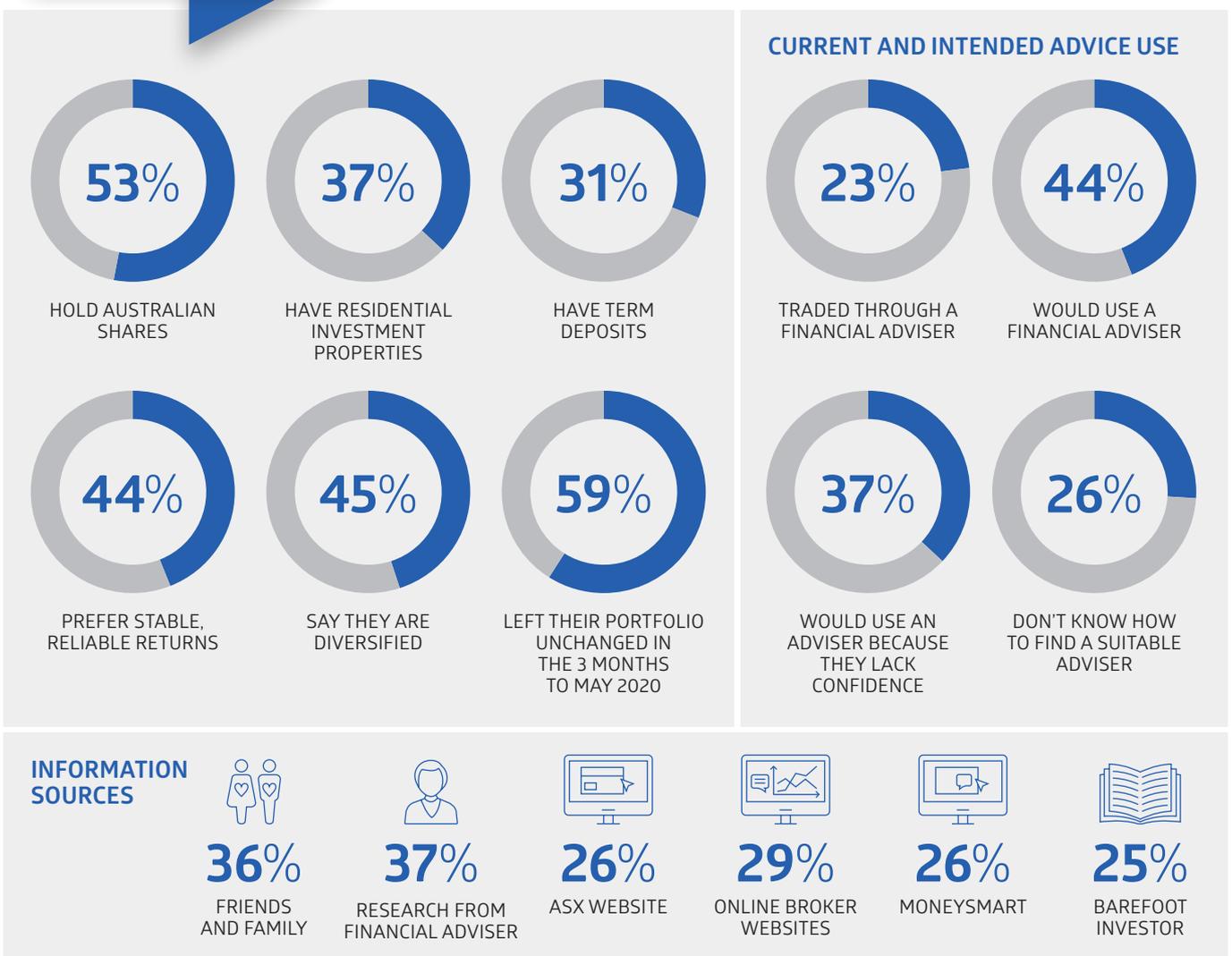
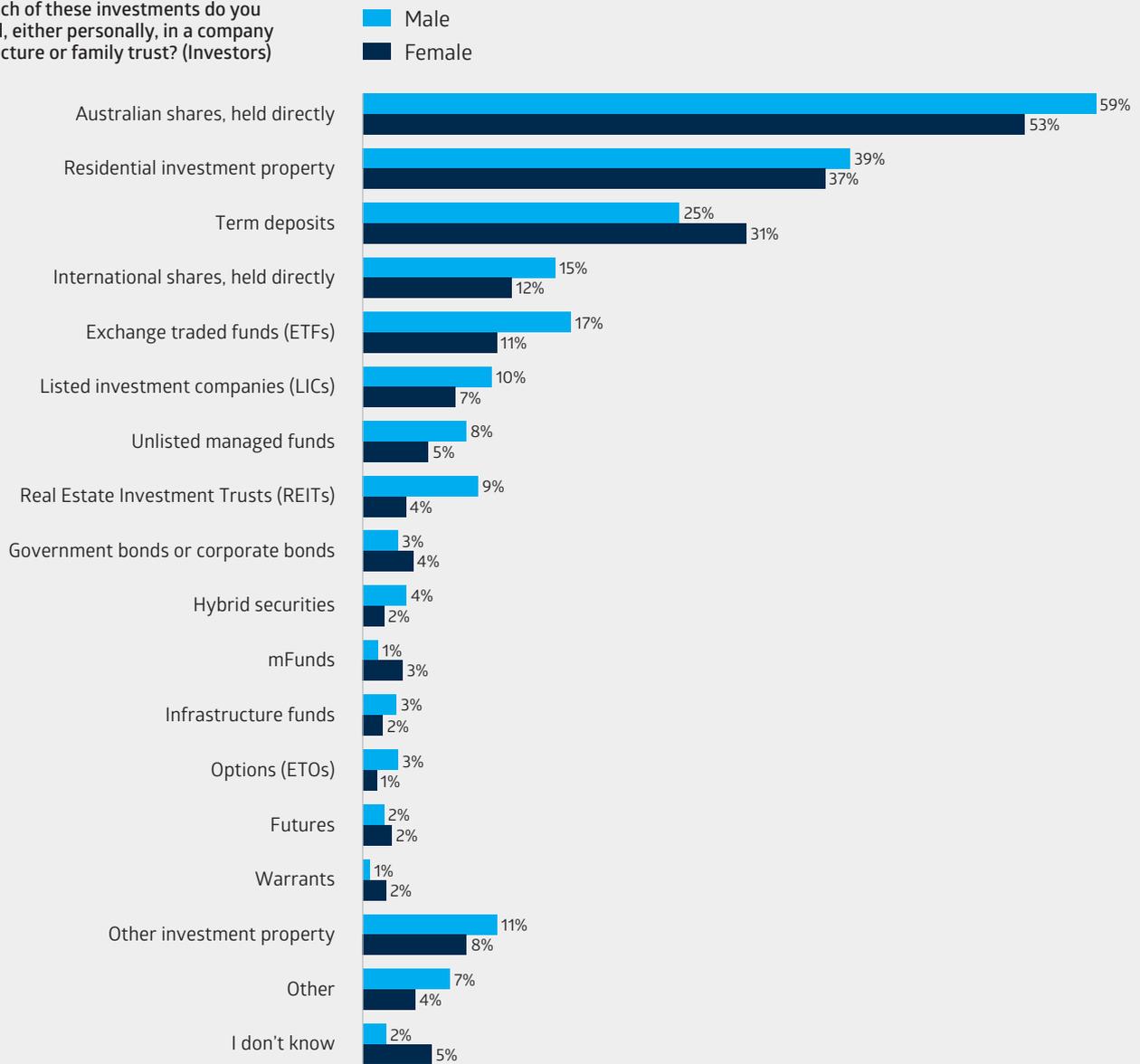


FIGURE 41

THE GENDER ASSET GAP

Which of these investments do you hold, either personally, in a company structure or family trust? (Investors)



17%

OF WOMEN SAY THAT A TERM DEPOSIT WAS THEIR FIRST EVER INVESTMENT

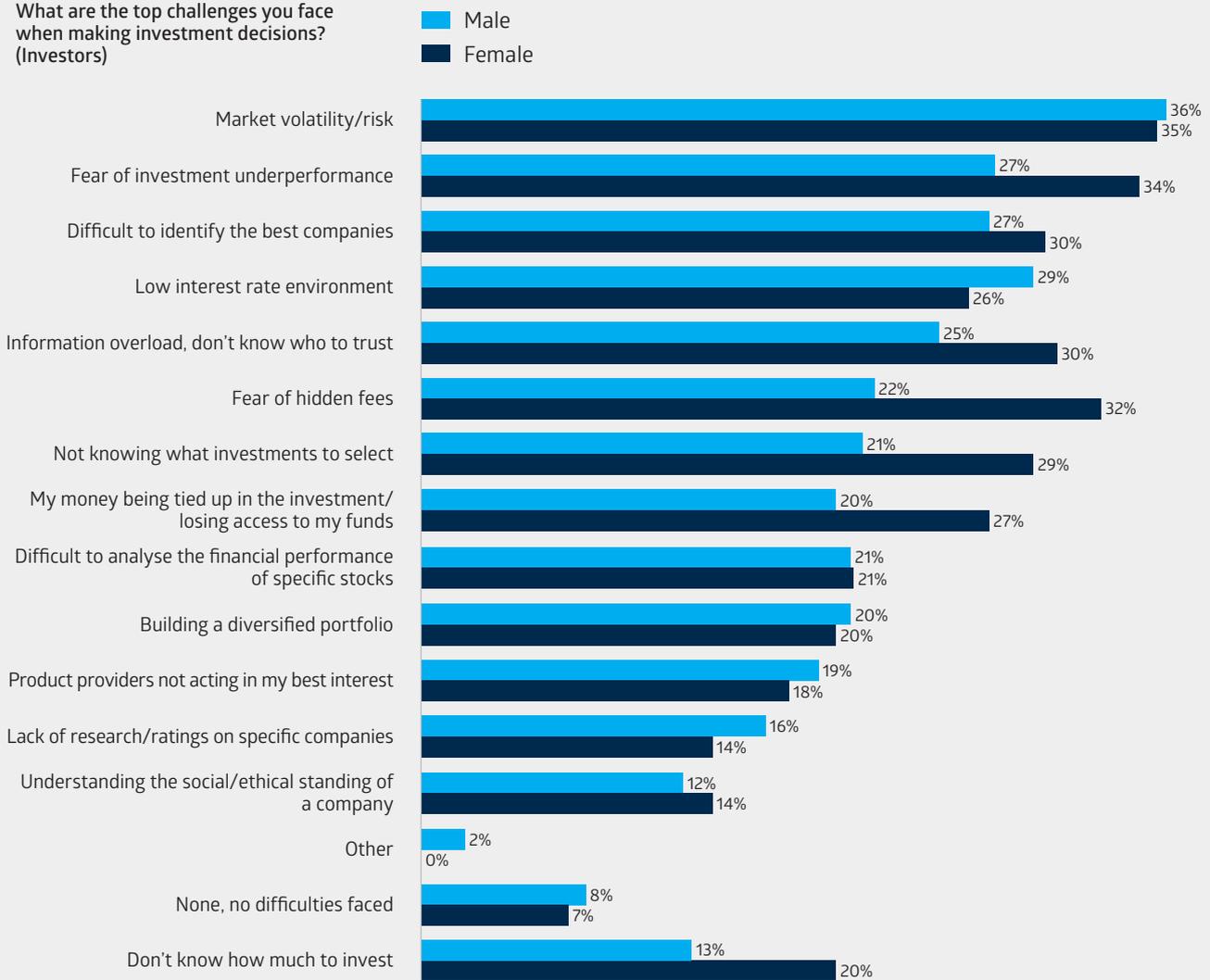
Female investors typically have smaller portfolios than men, containing fewer investment types. As a result, they are less likely to hold investments like direct Australian shares (held by 53% of female investors, compared to 59% of men), ETFs (11% versus 17%) and REITs (4% versus 9%). The exceptions are term deposits, held by 31% of women compared to 25% of men, reflecting a preference for stable cash flows over higher return potential. Seventeen per cent of women say that a term deposit was their first ever investment, compared to 12% of men.

Asked what challenges they face when making investments, women typically nominate a wider range of issues than men, from fear of investment underperformance (34% of women versus 27% of men) to fear of hidden fees (32% versus 22%) and information overload (30% versus 24%).

FIGURE 42

THE GENDER CONFIDENCE GAP

What are the top challenges you face when making investment decisions? (Investors)



ONLY ONE IN THREE FEMALE INVESTORS ARE AWARE OF ETFs

This perceived lack of confidence seems to be closely related to a lack of exposure, with female investors and non-investors generally less aware of a variety of available investment options than their male counterparts. For example, only one in three female investors and one in 10 female non-investors are aware of ETFs, compared to 55% of male investors and 25% of male non-investors.

As noted earlier, women also tend to be more risk averse, with 20% saying they prefer guaranteed returns (versus 14% of men) and 44% preferring stable, reliable returns (versus 35%). Yet only 45% describe their portfolios as diversified, compared to 61% of men – potentially increasing risk and volatility in their investments.

FIGURE 43

THE GENDER KNOWLEDGE GAP

Which of these investments were you aware of before today? (All respondents)

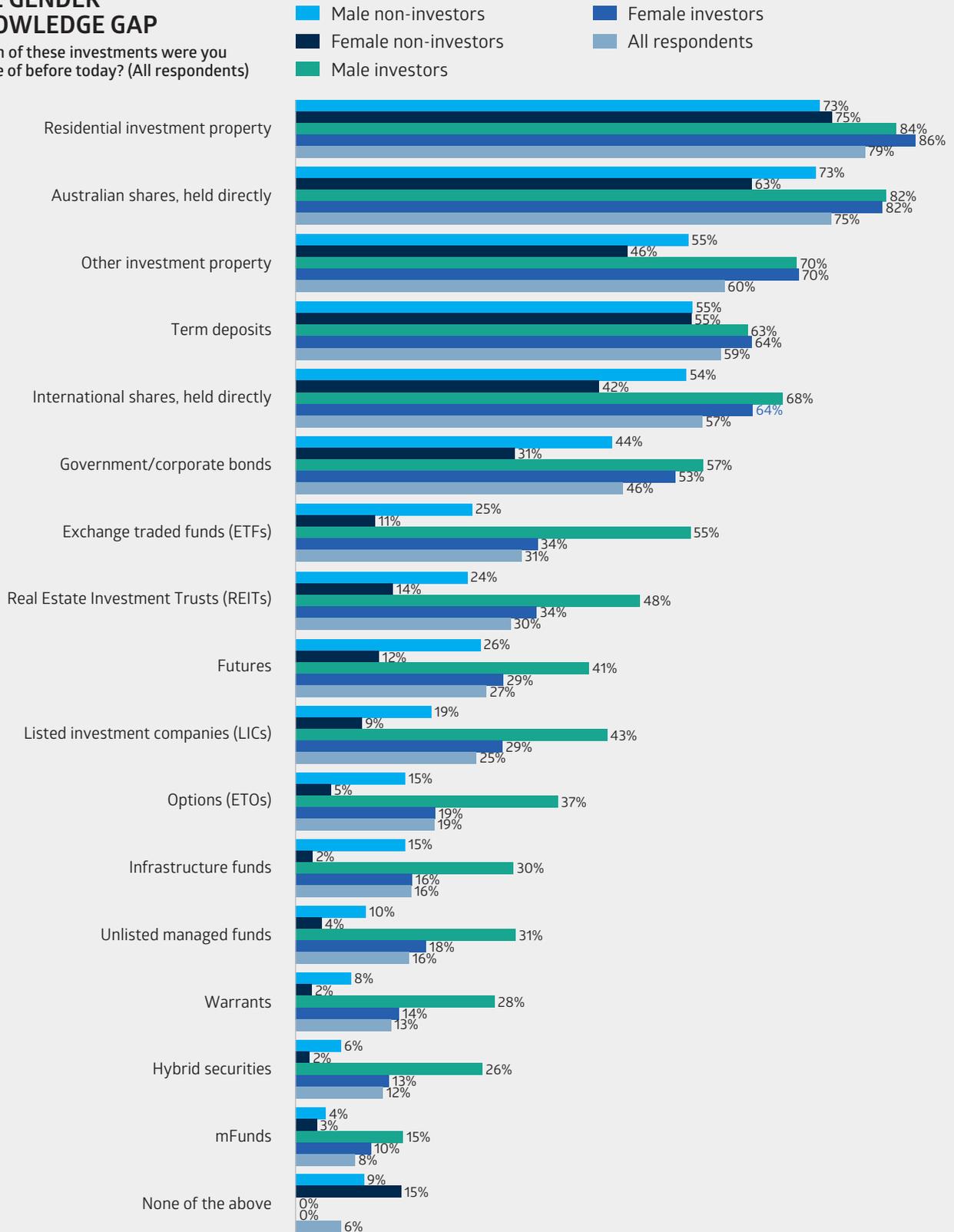
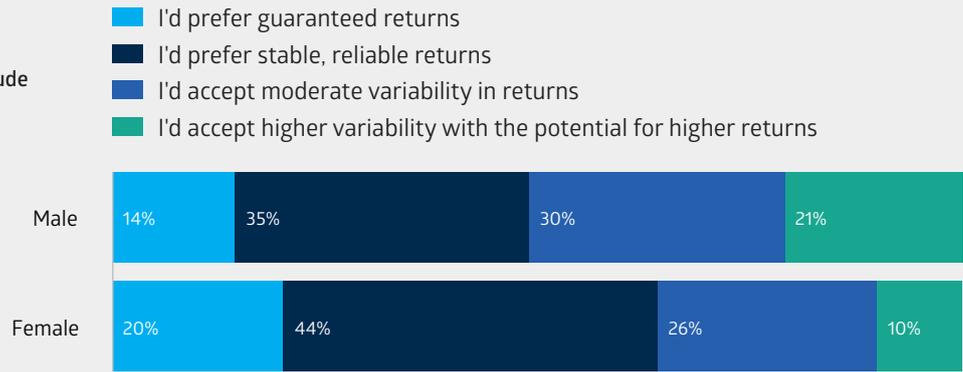


FIGURE 44

GENDER AND ATTITUDES TO RISK

How would you describe your attitude to financial and investment risk? (Investors)



However, while women are less accepting of risk, they are no more likely than men to crystallise losses by selling growth investments during a downturn, and perhaps more likely to maintain their investment strategy during market fluctuations. Asked how they would respond to a sudden 20% market fall, 42% say they would be concerned, but would wait to see if conditions improved. Only 20% say they would look to switch risky assets for more conservative investments or for cash – a similar proportion to men.

FIGURE 45

GENDER AND RESPONSES TO A CORRECTION

How would you react if you woke up tomorrow and found your investment balance had dropped 20%? (Investors, January 2020)

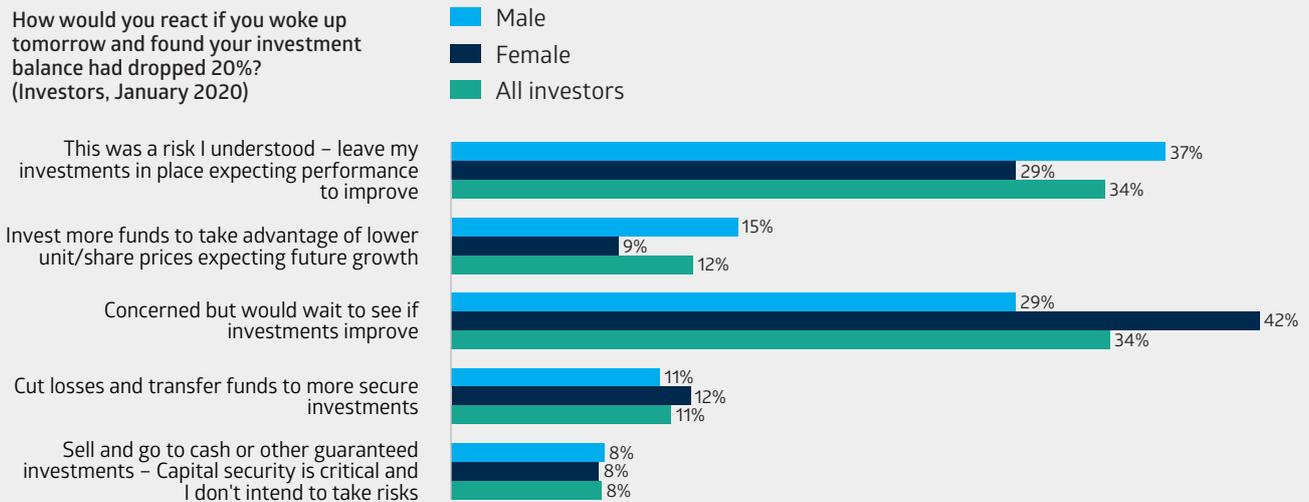
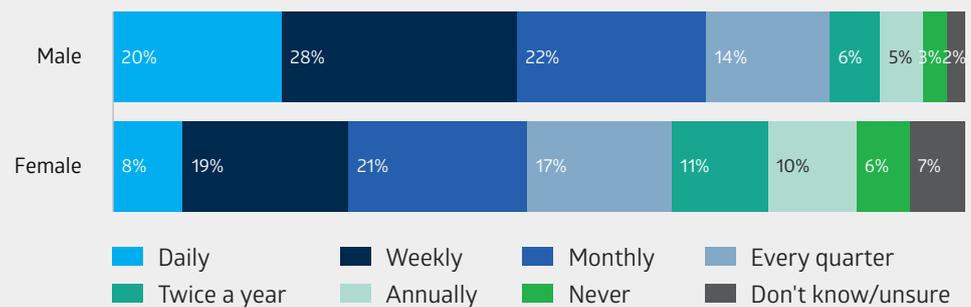


FIGURE 46

FEMALE INVESTORS: LETTING TIME DO ITS WORK

How often did you view or review your overall portfolio in the last 12 months? (Investors)



44%

OF FEMALES SAY THEY REVIEW THEIR INVESTMENTS QUARTERLY OR LESS OFTEN

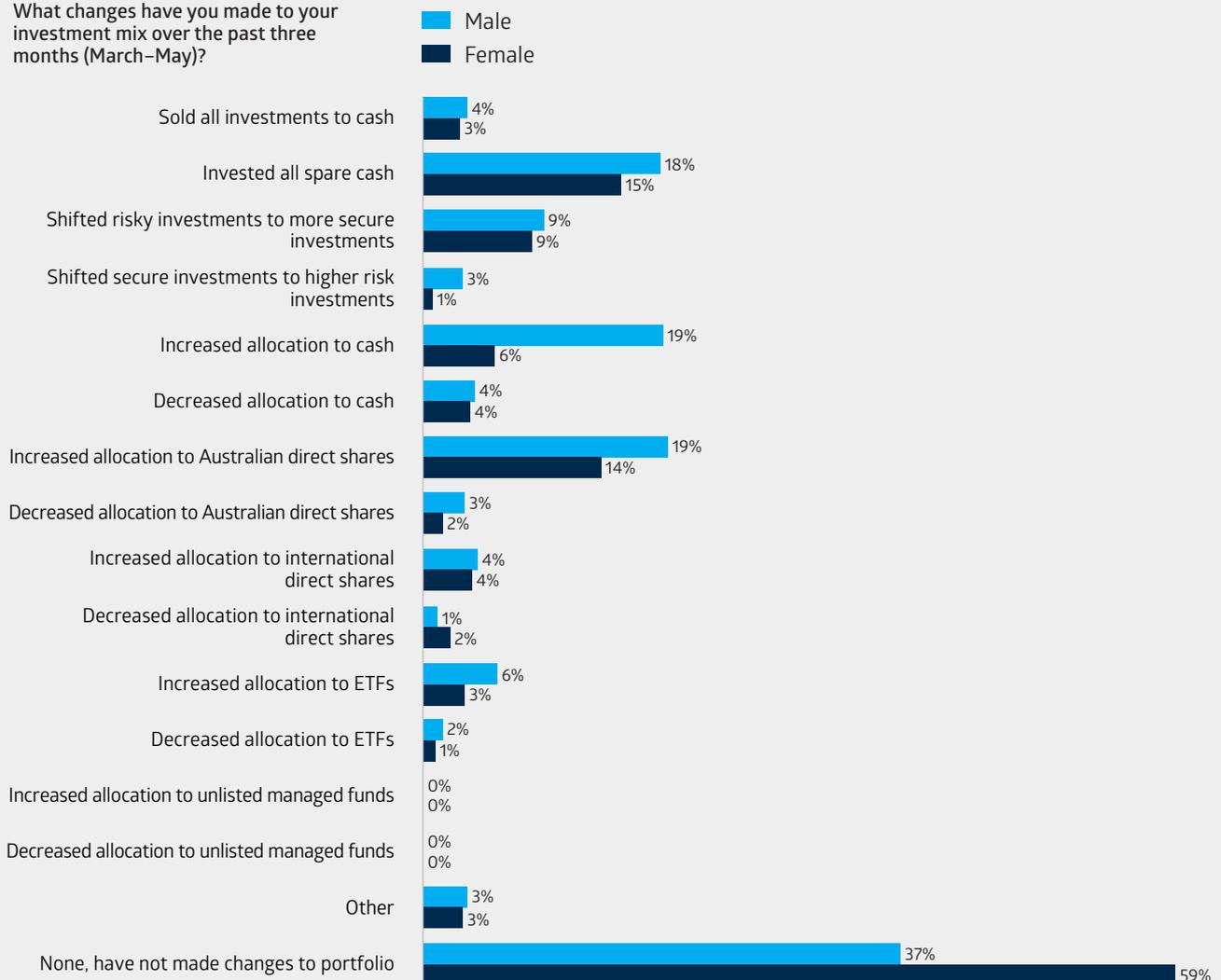
Female investors also tend to review their portfolios less regularly, with 44% saying they review their investments quarterly or less often, compared to 28% of men, who are much more likely to check their portfolios every day (20% versus 8% of women). While that may suggest female investors are less strongly engaged with their investments than men, it is also consistent with a group that prefers to set a well-considered strategy and stick to it.

That tendency was evident during the COVID-19 induced market fluctuations, when only 41% of women made changes to their portfolios, versus 63% of men. However, women who did make changes largely responded in a similar way to their male counterparts, investing all their spare cash (15%) and increasing their allocation to Australian direct shares (14%) rather than selling their investments and shifting to cash (3%).

FIGURE 47

FEMALE INVESTORS: HOLDING COURSE

What changes have you made to your investment mix over the past three months (March–May)?



ENGAGING FEMALE INVESTORS

Overall, women appear significantly more inclined than men to seek and rely on financial advice. Thirty-seven per cent of women say they would use an adviser because they don't feel comfortable making investment decisions (versus 26% of men), and 44% of female investors say they would choose a financial planner for investment advice (versus 37% of men). Female investors and non-investors are also both more trusting of financial planners than their male counterparts.

Nonetheless, there are still barriers to be overcome. One in four women say they don't know how to find a suitable financial adviser, that advice is too expensive, or that their portfolio is too small to justify it, so reaching out to women and overcoming these negative perceptions is an important first step.

Confidence and a perceived lack of knowledge and experience are all important issues for both current and lapsed female investors. These factors are also barriers for women who have never invested, with 34% saying they don't know enough about investing to make sound decisions. This creates opportunities for financial advisers and brokers to attract and activate new female clients by providing targeted information and reassurance.

Female investors are also concerned about market volatility, the low interest rate environment, are interested in ESG investing, and are relatively likely to choose a term deposit or residential property as a first investment rather than shares. Their goals often include paying down debt, budgeting and saving, making these important drivers for seeking advice.

Like next generation investors, female investors have a high propensity to seek investment information from family and friends (36%), so establishing strong, female-focused referral networks or online communities can be an effective approach. They also combine a high level of media consumption with a desire for personal connection, suggesting that a combination of online and in-person touchpoints could be fruitful.

Female investors are more likely than men to prefer one-on-one meetings (43% female, 34% male). They also like receiving educational content by email (46%), reading content online (44%), viewing step-by-step tutorials online (31%), and receiving printed brochures (30%). Short videos, face to face group seminars, podcasts, live webinars, social media, and social messaging are also popular channels for investment related content.

TOP 5 ACTIONS FOR ENGAGING FEMALE INVESTORS

1.

Support their goals with practical strategies for paying down debt, budgeting and saving, and provide tools, tips and advice via step by step tutorials and online articles.

2.

Inspire confidence in their ability to invest, with case studies and testimonials to show how other women have increased their knowledge and invested confidently and successfully.

3.

Speak to their preferences for ESG, community connection and low volatility investing.

4.

Use social and family networks to create connections and generate referrals.

5.

Meet one-on-one to build trust.



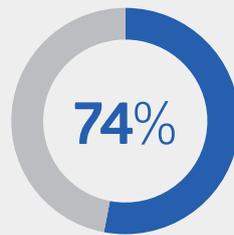
HIGH VALUE INVESTORS

Defined as those in the top 20% of investors by both wealth and trading value, high value investors (HVIs) are a group apart. Typically over 55 and male, with 43% aged 60 or over, they hold larger, more diversified portfolios than other investors, managed through a wider range of investment vehicles. They also trade more frequently – half traded more than 20 times in the 12 months before our survey – and in larger parcels, with 35% reporting an average trade value more than \$25,000, compared to just 5% of other investors.

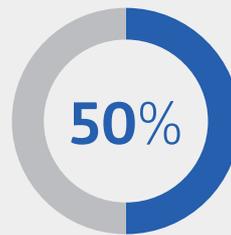
Confident, with a robust appetite for risk, they are strongly engaged with the day-to-day management of their portfolios, consulting a wide range of information sources, including paid online publications. They are also the group most likely to use online broker websites to make investment decisions, with 52% saying they do so. And they have a higher than usual preference for email communications, webinars and educational events, such as ASX Investor Day and CEO Connect.

FIGURE 48
PROFILE OF A HIGH VALUE INVESTOR

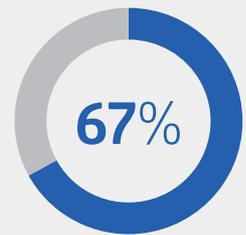
AVERAGE AGE



HOLD AUSTRALIAN SHARES



HAVE RESIDENTIAL INVESTMENT PROPERTIES



WOULD ACCEPT MODERATE OR HIGHER VARIABILITY FOR HIGHER RETURN

INFORMATION SOURCES



52%

ONLINE BROKER WEBSITES



46%

COMPANY ANNUAL REPORTS AND WEBSITES



45%

THIRD PARTY RESEARCH REPORTS



39%

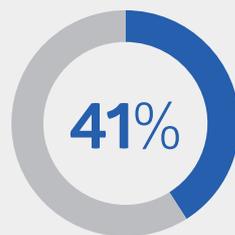
ASX WEBSITE



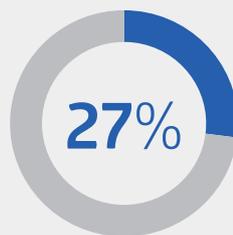
34%

PAID ONLINE PUBLICATIONS

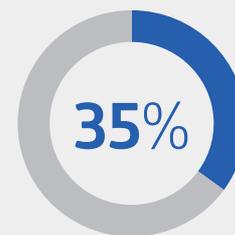
CURRENT AND INTENDED ADVICE USE



INTEND TO SEEK ADVICE IN THE NEXT 12 MONTHS



USE RESEARCH FROM THEIR ADVISER TO MAKE DECISIONS



OF SMSF INVESTORS USE RESEARCH FROM THEIR ADVISER TO MAKE DECISIONS

74%

OF HIGH VALUE INVESTORS HOLD DIRECT AUSTRALIAN SHARES

Seventy-four per cent of high value investors hold direct Australian shares, 19 percentage points higher than other investors. They are also much more likely to have international shares (27% versus 13% for others), ETFs (25% versus 13%), REITs (22% versus 5%) and mFunds (6% versus 2%), and to use exchange traded options (ETOs) to manage risk and capitalise on opportunities. One in two owns a residential investment property, while one in five owns commercial or other property investments.

Unsurprisingly, given this variety of investments, 85% of high value investors describe themselves as diversified, compared to only 54% of other investors.

High value investors not only hold a wider range of investments than other investors, they are also more likely to use multiple investment vehicles, including family trusts and company structures. More than 40% have an SMSF, highlighting the opportunity for advisers and brokers to create tailored offerings for SMSF investors.

FIGURE 49

HIGH VALUE INVESTOR HOLDINGS

Which of these investments do you own either personally, in a company structure or family trust? (Investors)

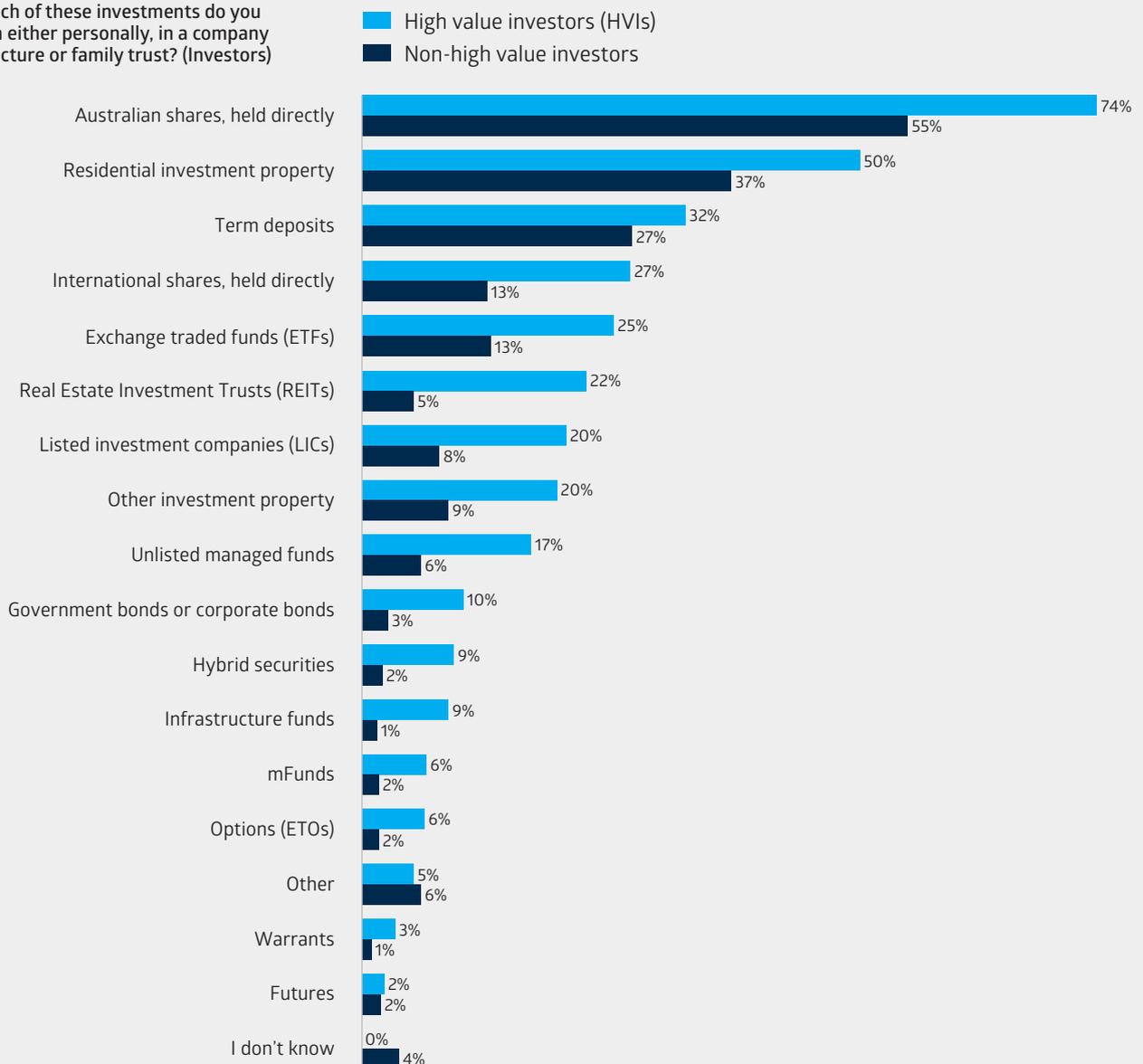


FIGURE 50

HIGH VALUE INVESTOR VEHICLES

Which of the following investments do you have outside your home and super? (Investors)

High value investors (HVIs)
Non-high value investors

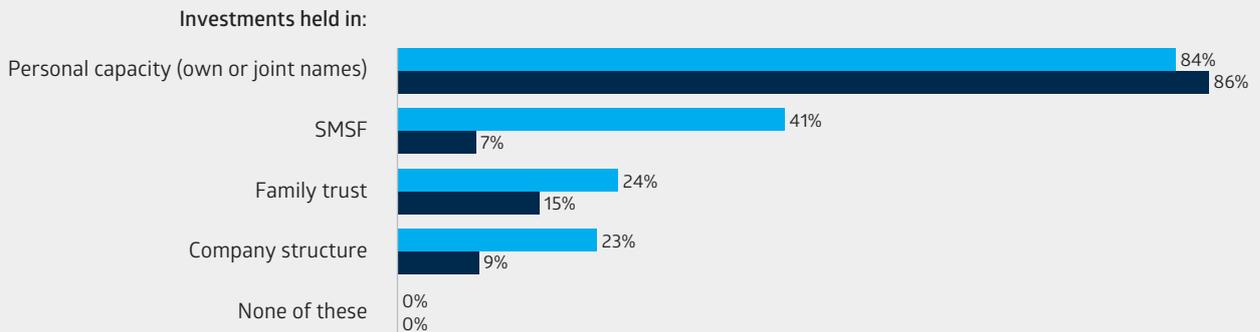


FIGURE 51

RISK TOLERANCE AMONG HIGH VALUE INVESTORS

How would you describe your attitude to financial and investment risk? (Investors)

I'd prefer guaranteed returns
I'd prefer stable, reliable returns
I'd accept higher variability with the potential for higher returns
I'd accept moderate variability in returns

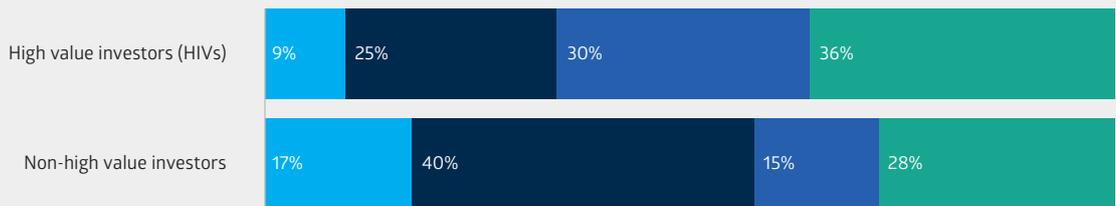
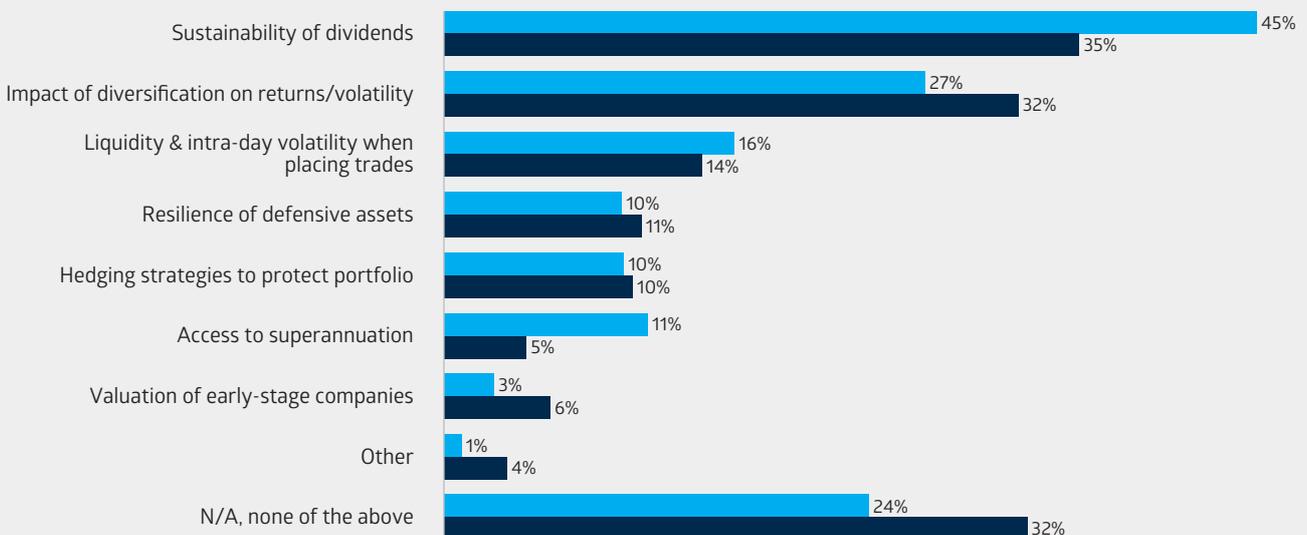


FIGURE 52

SMSF INVESTORS: STABILITY OF DIVIDENDS

Which of these issues are now a greater priority due to the COVID-19 outbreak? (Investors, May 2020)

SMSFs
Non-SMSFs



With significant investable assets at their disposal, high value investors are considerably more tolerant of risk than other survey respondents. Two in three say they accept or moderate or higher variability with the potential for higher returns, compared to 43% of other investors.

Nonetheless, high value investors still seem to value stable dividend income, at least within their SMSFs. Asked how their investment priorities had changed as a result of the COVID-19 outbreak, SMSF investors were most likely to say that they would now focus more strongly on the sustainability of dividends in the wake of the crisis.

ENGAGING HIGH VALUE INVESTORS

High value investors are confident, engaged and highly active. Many are sophisticated investors, most likely to use an adviser or broker as a sounding board for ideas (30%) or for their technical and administrative skills (22%), rather than for holistic investment advice. Yet 41% say they intend to seek financial advice in the next 12 months, making them an important market for advice practices, full service brokers and wealth managers.

Important investment concerns for high value investors in the wake of COVID-19 include dividend sustainability and the diversification strategies to manage volatility. Since 41% have an SMSF, they may also be responsive to a specialised SMSF offering. They also tend to be older and more affluent, potentially making retirement income strategies, estate planning and philanthropy important areas for discussion. And they are more likely than other groups to use a wide variety of listed investment instruments, including bonds, hybrids, infrastructure funds and ETOs, so targeted educational content on specific investment types could cut through with this audience.

Constantly seeking market insights and new investment opportunities, high value investors actively consult a significantly wider range of information sources than other investors, providing advisers and brokers with multiple potential touchpoints. Comfortable with online delivery, high value investors prefer receiving investor related information via email (60%), reading materials online (52%) and viewing short videos under 5 minutes (35%). They like to attend face-to-face group seminars (31%), along with seminars and expos (25%). Many also subscribe to online publications (34%), potentially creating an opportunity for stockbrokers and larger advice practices to capitalise on their brand recognition with a subscription-based offering.

TOP 5 ACTIONS FOR ENGAGING HIGH VALUE INVESTORS

1.

Create targeted content and communication channels that showcase your strategic and technical capabilities.

2.

Promote specialised SMSF offerings for both existing and intending SMSF investors, with a focus on technical and administrative support as well as investment advice.

3.

Provide online education to prompt high value investors to assess whether they are getting the most out of their trading and whether they are sufficiently diversified.

4.

Demonstrate your expertise in trading strategies across a variety of security types.

5.

Consider an online subscription-based offering, both to create a new revenue stream and to connect with potential advice or trading clients.



ADVICE AND ENGAGEMENT

Evolving perceptions, new opportunities

In a complex economic environment marked by significant uncertainty, it's encouraging to see many Australian investors continuing to seek professional support and financial advice. Interest in financial advice appears to have grown following the COVID-19 crisis, with high value investors and the next generation among the most likely to consult an adviser in the next 12 months. Yet many investors remain uncertain about the best way to find an adviser and the suitability of advice for their situation, suggesting there are still untapped opportunities for advice practices to promote their expertise to a wider audience. And with 30% of new investors also open to consulting a full-service broker or wealth manager, there are also opportunities for these firms to expand their customer base at a time of heightened activity and interest.

Today, investors gather information from an increasingly diverse range of sources, creating more opportunities than ever before for advisers and brokers to contact, engage and nurture both existing and potential clients. A growing preference for digital platforms has created a multitude of new communication channels, making it easier to reach targeted audiences at scale.

At the same time, a remarkable one in five investors now use a micro saving or robo-advice app, showing they are already making significant inroads into the market. With almost one in three intending investors planning to use digital platforms, they look set to have an even greater impact in the future.

PERCEPTIONS OF ADVICE

63%

OF AUSTRALIANS ARE OPEN TO RECEIVING FINANCIAL ADVICE

17%

ARE MORE LIKELY TO USE AN ADVISER AFTER COVID-19

NEXT GENERATION INVESTORS SEE ADVISERS AS:

37%

INCREASING THEIR CONFIDENCE

36%

GIVING ACCESS TO A WIDER RANGE OF INVESTMENTS

INTENTION TO SEEK ADVICE IN THE NEXT 12 MONTHS:

43%

OF NEW INVESTORS

41%

OF HIGH VALUE INVESTORS

FIGURE 53 KEY FINDINGS

DRIVING ENGAGEMENT

GOALS FOR INTENDING INVESTORS:

51%

GETTING FINANCES IN ORDER

48%

PAYING DOWN DEBT

58%

LAPSED INVESTORS OPEN TO INVESTING SEEK:

32% TIME TO RESEARCH

31% CONFIDENCE ABOUT FUTURE RETURNS

18% KNOWLEDGE

MEDIAN AMOUNT THEY WOULD PAY FOR ADVICE:

ALL INVESTORS

\$450_{PA}

HIGH VALUE INVESTORS

\$2k_{PA}

THE DIGITAL SHIFT

MICRO SAVING OR ROBO-ADVICE APPS

USED BY
1 IN 5
INVESTORS

31%

INTENDING INVESTORS
PLAN TO USE

NEXT GENERATION INVESTORS PREFER INVESTMENT INFORMATION FROM:

41% YOUTUBE

27% SOCIAL MEDIA

16% SOCIAL MESSAGING



MONEYSMART
USED BY:

19% OF HIGH
VALUE
INVESTORS

26% OF WOMEN



BAREFOOT
INVESTOR
USED BY:

19% OF HIGH
VALUE
INVESTORS

25% OF WOMEN

PERCEPTIONS OF ADVICE

Twenty-seven per cent of investors in our survey say they invested through a financial adviser, stockbroker or wealth manager in the 12 months to January 2020, down from 39% in 2017. Yet there has also been a revival of interest in advice in the wake of recent market volatility, with 17% of non-advised investors saying they are more likely to consult a financial adviser in future.

Younger people are most open to receiving financial advice, with 36% of next generation Australians saying that they would use an adviser to access a wider range of investments, while 37% say they would use an adviser because they don't feel comfortable making investment decisions on their own. However, while next generation and wealth accumulator adults are more likely to be interested in advice than retirees, they are also more likely to be held back by a lack of knowledge about how to find a suitable adviser, together with the perception that they don't have enough capital to justify it. There is also an ongoing trust gap, especially among retirees and sophisticated investors. Nonetheless, only 37% of Australians say they are unwilling to seek financial advice.

FIGURE 54

THE IMPACT OF COVID-19

In light of COVID-19, have you become more or less likely to turn to a financial adviser for advice in the next 12 months? (Non-advised investors)

- 9% A lot less likely to seek advice
- 5% A little less likely
- 70% No impact
- 16% A little more likely
- 1% A lot more likely to seek advice

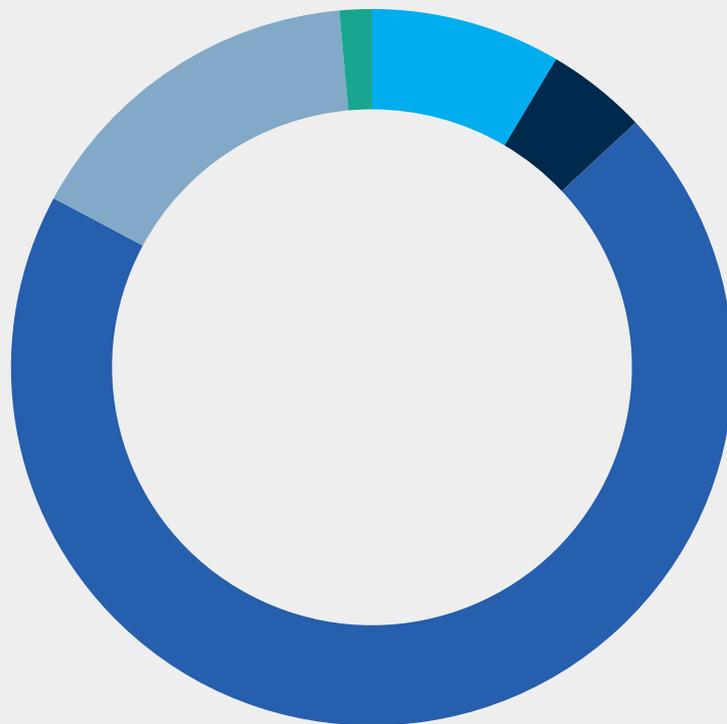
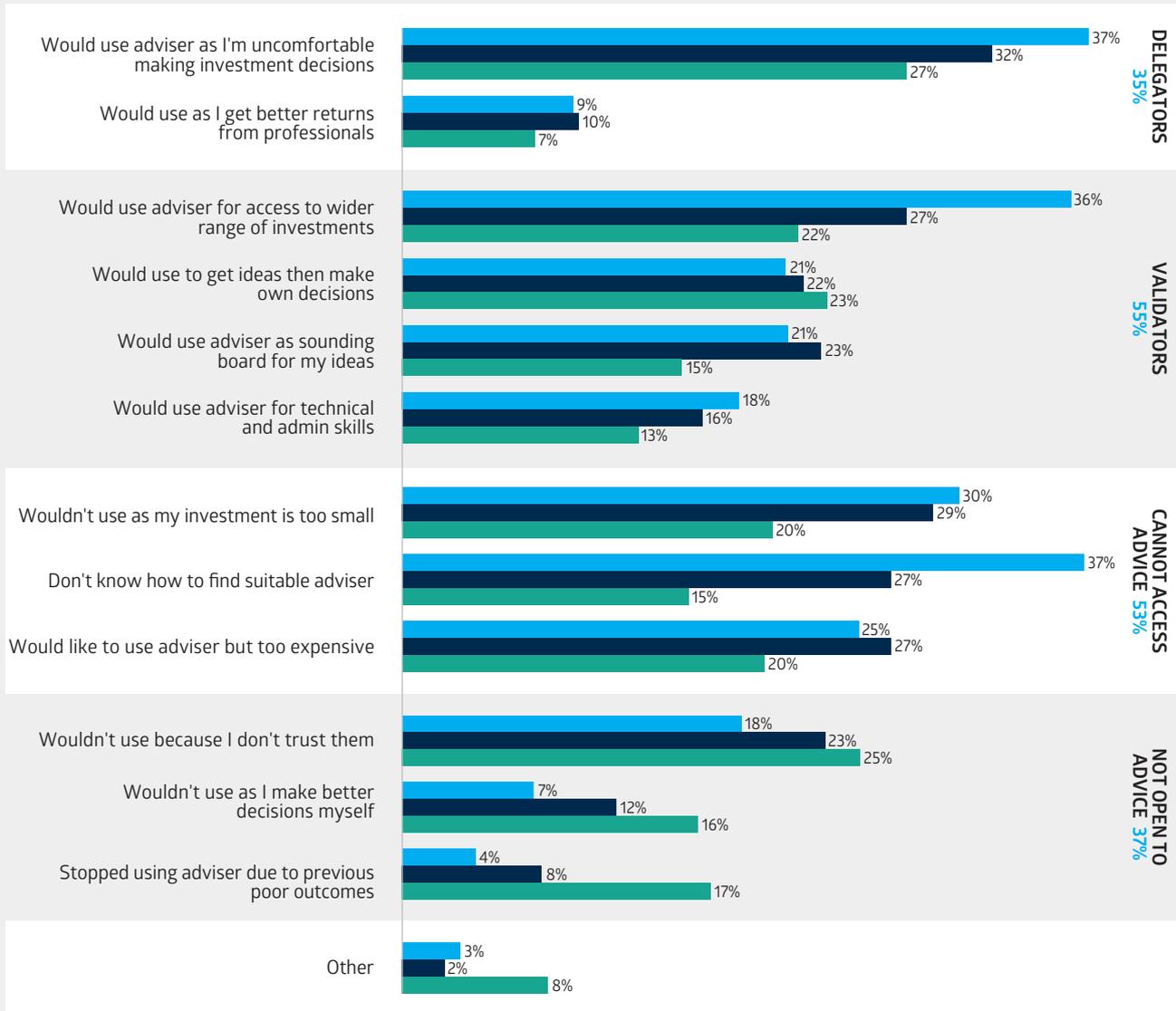


FIGURE 55

ATTITUDES TO ADVICE BY AGE

Which of these statements about financial advisers do you agree with? (All respondents)

Next generation
Wealth accumulator
Retiree



Encouragingly for advisers, current investors show a markedly higher propensity to seek advice than other Australians, with 34% saying they plan to seek financial advice in the next 12 months. New investors are most likely to seek advice, along with those who have portfolios between \$50,000 and \$1m. While intentions don't always translate into action, and many of these investors may be limited in their capacity to pay for advice, this presents clear opportunities for advisers to attract new clients still in the early stages of their investment life-cycle.

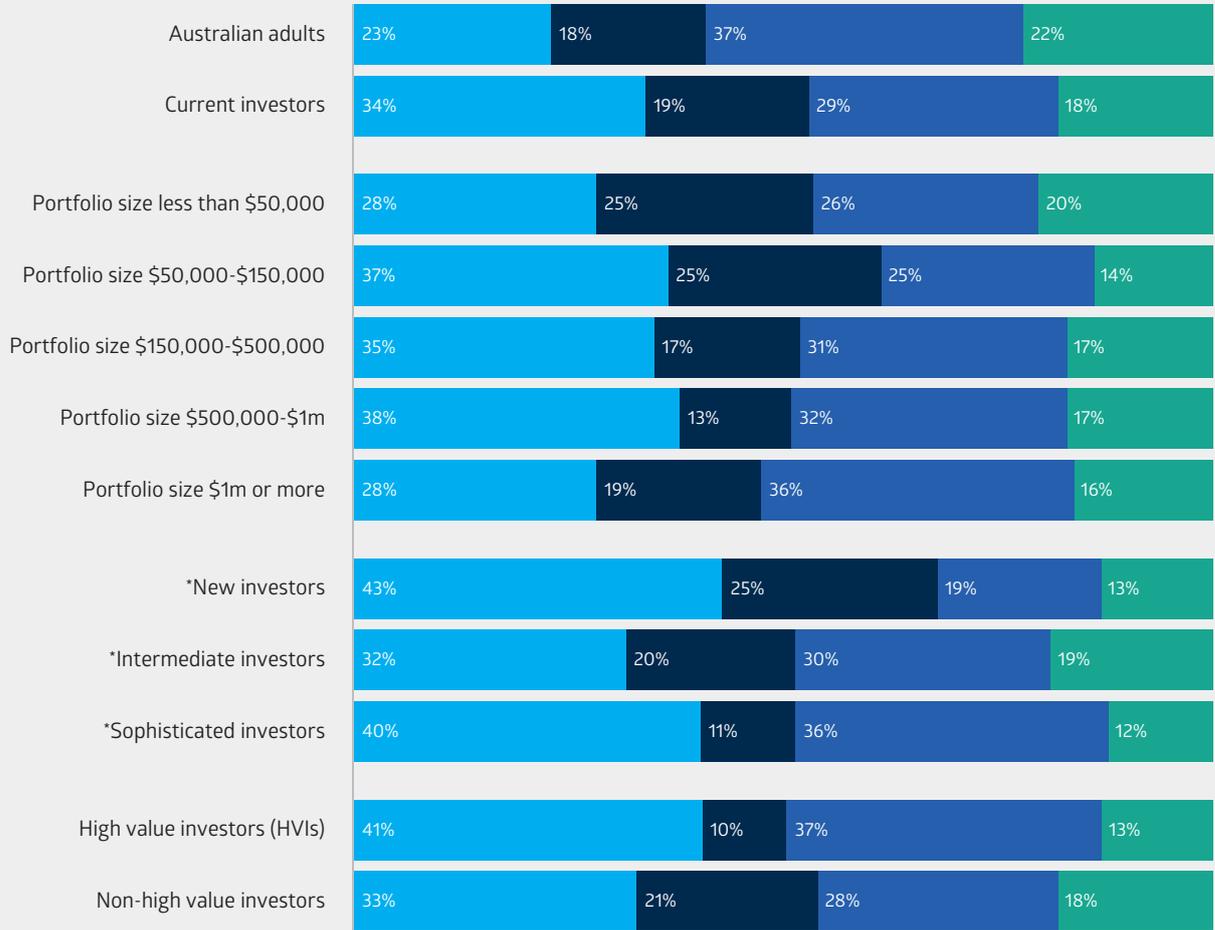
Importantly, high value investors also show an elevated propensity to seek advice in the near future, with 41% saying they intend to consult a financial adviser in the next 12 months. Thirteen percentage points higher than affluent investors with portfolios of \$1m or more, this finding suggests that engaged investors with high levels of trading activity are more likely to seek advice than their peers, even those with large portfolios to manage.

FIGURE 56

INTENTION TO SEEK FINANCIAL ADVICE

Do you intend to seek financial advice in the future?

- Yes, within 12 months
- Yes, but not within 12 months
- No
- Don't know



*Defined as: **New investors** began investing in the last 12 months; **Sophisticated investors** either have an income over \$250,000 or a portfolio valued at greater than \$2.5 million; and **Intermediate investors** are those that are neither New or Sophisticated investors.

Asked who they do or would consult for financial advice, investors were most likely to nominate financial planners, although 30% of new investors and 23% of sophisticated investors said they would use a full-service stockbroker or wealth manager – signalling an opportunity for brokers and wealth managers to achieve significant market share in a sought-after segment.

Nonetheless, there are still indications that both banks and financial planners face an ongoing trust deficit in the wake of the Hayne Royal Commission. Asked to give a rating out of 10 for their level of trust in a range of financial organisations, survey respondents scored financial planners at an average of just 5.0 – above banks and online stockbrokers, but below accountants and super funds. Online stockbrokers fared even worse, indicating significant opportunities to promote the integrity and trustworthiness of their services.

FIGURE 57

PREFERRED SOURCES OF ADVICE BY EXPERIENCE

Who would you get or do you get investment advice from? (Investors)

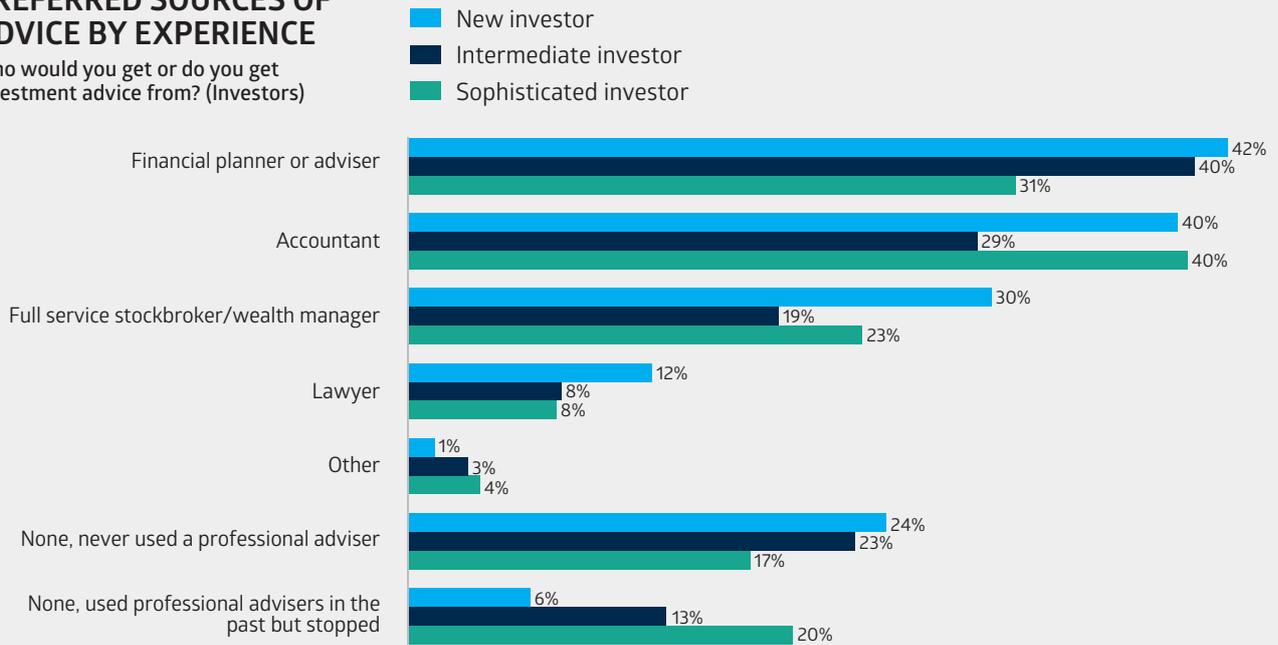
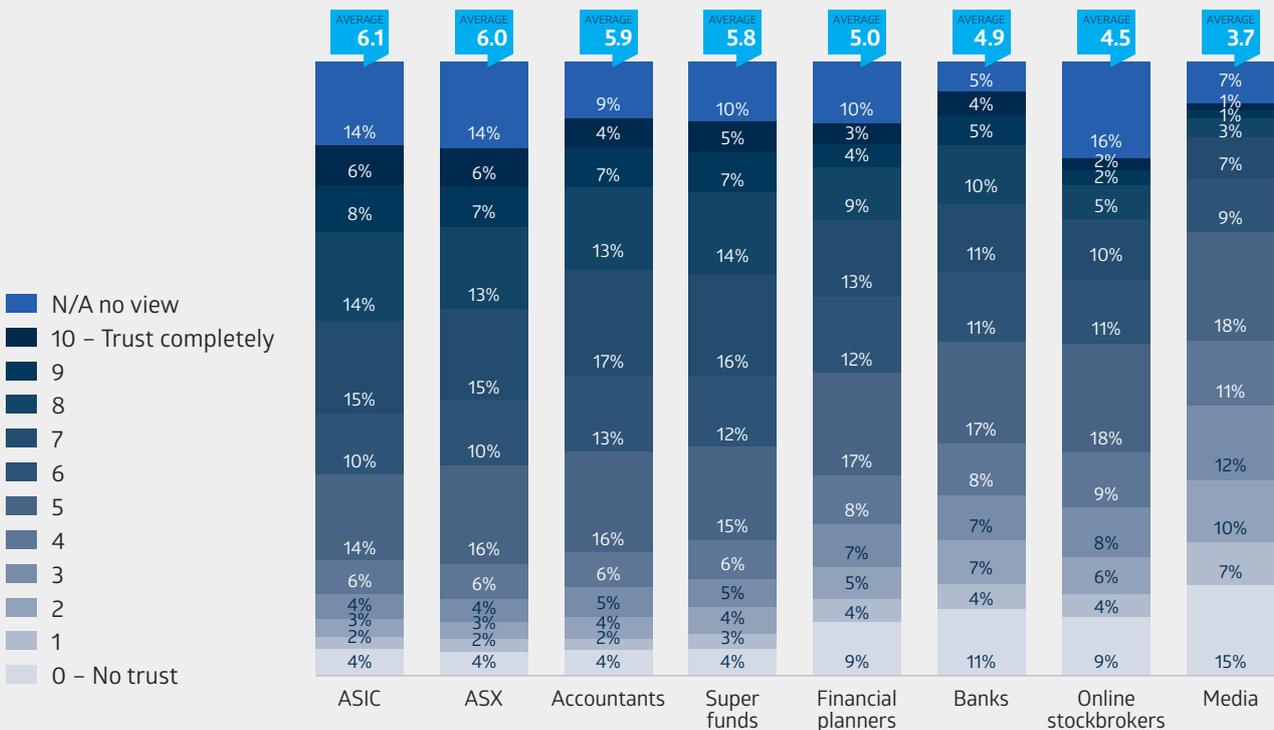


FIGURE 58

FINANCIAL PLANNERS, BANKS AND STOCKBROKERS FACE A TRUST DEFICIT

To what extent do you trust these organisations? (All respondents)



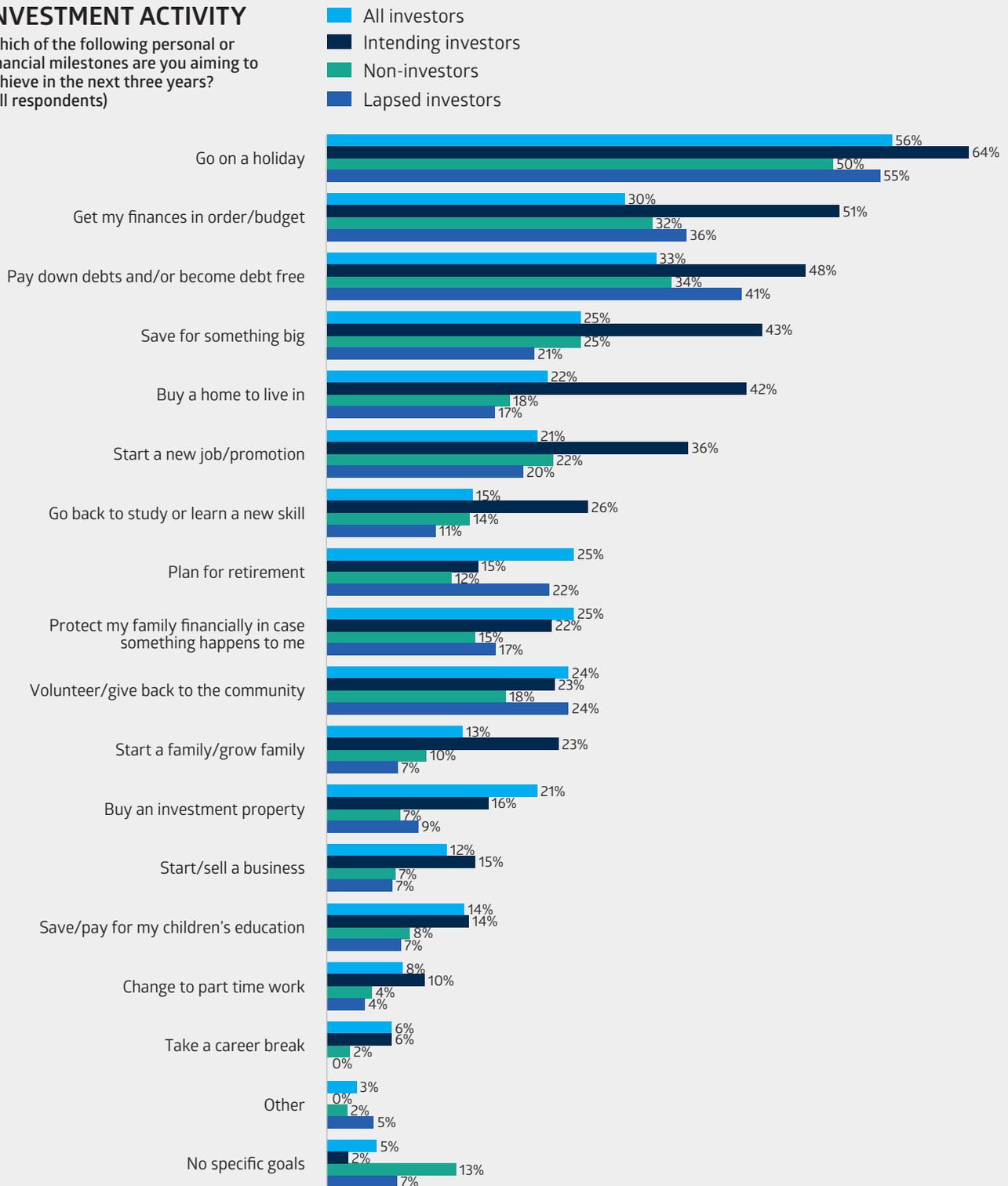
DRIVING ENGAGEMENT

For advisers and brokers seeking to drive engagement, it's important to appeal to the aspirations of both current and future investors. Our survey reveals that Australians are typically working towards multiple personal and financial goals, with intending investors (non investors planning to begin investing within 12 months) most likely to list a wide range of objectives, both near term and long-term.

FIGURE 59

PERSONAL AND FINANCIAL GOALS BY INVESTMENT ACTIVITY

Which of the following personal or financial milestones are you aiming to achieve in the next three years? (All respondents)



Compared to other groups, intending investors are significantly more likely to say they want to get their finances in order (51%), pay down debt (48%) and buy a home to live in (42%). In contrast, existing investors, who tend to be older, are more likely than other groups to say they intend to plan for retirement (25%), protect their family (25%) or buy an investment property (21%). Yet overall, only 12% of respondents said that retirement planning would be an important goal in the next three years, despite the prominence often given to investing for retirement by financial planners seeking to promote their services.

Of the 2.6 million lapsed investors in Australia, 58% say they are open to investing again, making them an important potential market for investment information and financial advice more broadly. Asked when they will re-start investing, 51% say they will do so when they have fewer financial commitments. Others say they need more time to research and manage investments (32%), confidence about future returns (31%) or knowledge about investing (18%), all areas where advisers and brokers can help.

Among non-investors, the main barriers to investing are a belief that they do not have enough money (56%), a lack of confidence (32%), concerns about costs (13%) and concerns about volatility (13%). While the percentage who say they have no interest in investing has increased from 14% to 22% since 2017, 78% are open to doing so if their concerns are addressed. That makes them a potentially appealing market for advisers and brokers who can create an offering suitable for new investors with limited upfront capital.



FIGURE 60
RE-ACTIVATING LAPSED INVESTORS

What will determine when you're ready to begin investing again?
(Lapsed investors planning to resume)

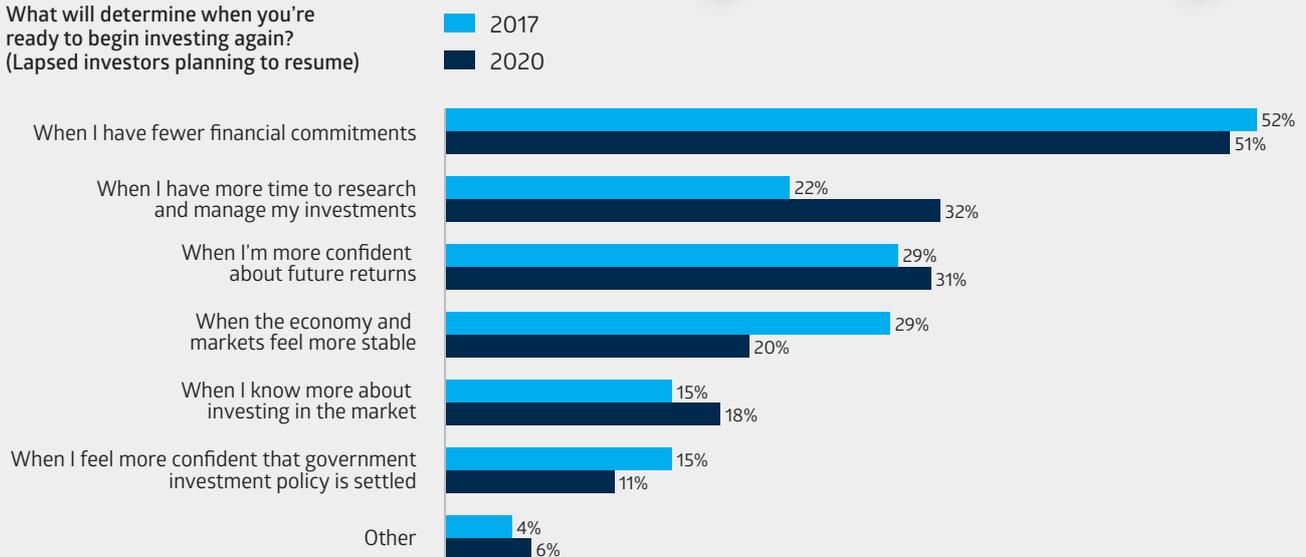
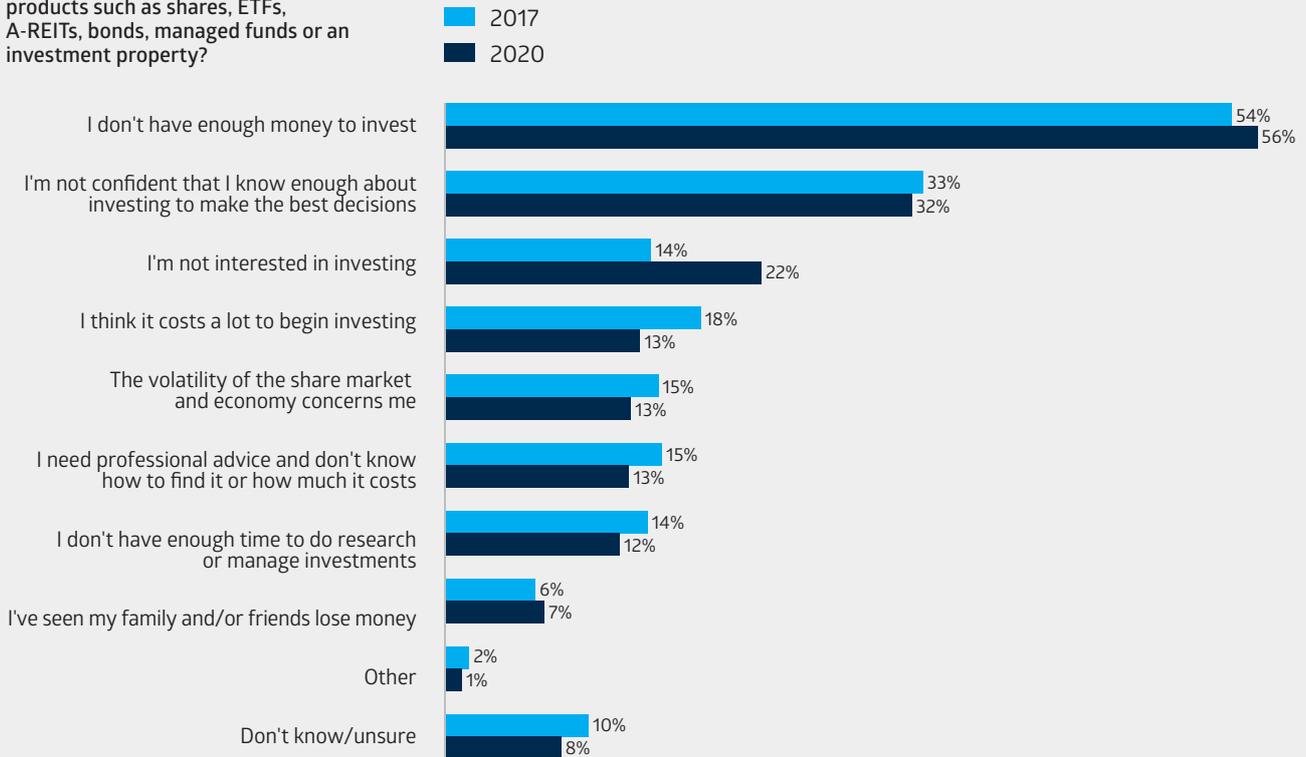


FIGURE 61

APPEALING TO NON-INVESTORS

Why have you never invested in products such as shares, ETFs, A-REITs, bonds, managed funds or an investment property?



A persistent challenge for advice practices and full-service brokers in the age of fee-for-service is the large gap between what people are prepared to pay and the actual costs of delivering holistic advice. Disconcertingly, even current investors open to paying for advice are only willing to pay a median of \$450 per annum to have their advice needs met. Better news is that investors with larger portfolios are willing to pay more, with the median rising to \$1,800 a year among those with portfolios of \$1m or more, and \$2,000 per annum among high value investors.

Nonetheless, even that amount is unlikely to be commensurate with the complex work generally required to provide comprehensive advice. When most of an adviser's work is unseen by their client, this mismatch in expectations presents an educational challenge for advisers and a barrier for clients who could otherwise benefit from advice.

FIGURE 62

WILLINGNESS TO PAY FOR ADVICE

What is the most you are prepared to pay per year to have your financial advice needs met? (Investors open to seeking advice)

- N/A, do not have advice needs
- I don't know
- More than \$5,000
- \$4,001 to \$5,000
- \$3,001 to \$4,000
- \$2,001 to \$3,000
- \$1,001 to \$2,000
- \$501 to \$1,000
- \$251 to \$500
- \$101 to \$250
- \$100 or less
- Need advice, but would not pay

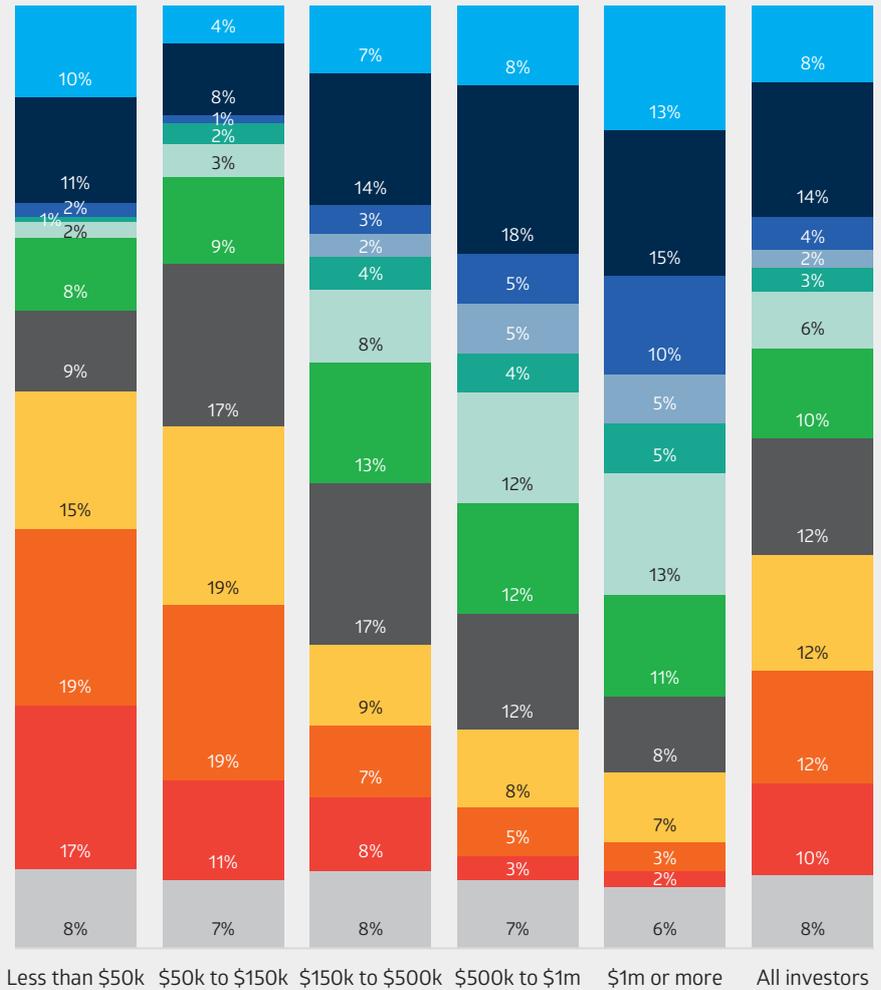
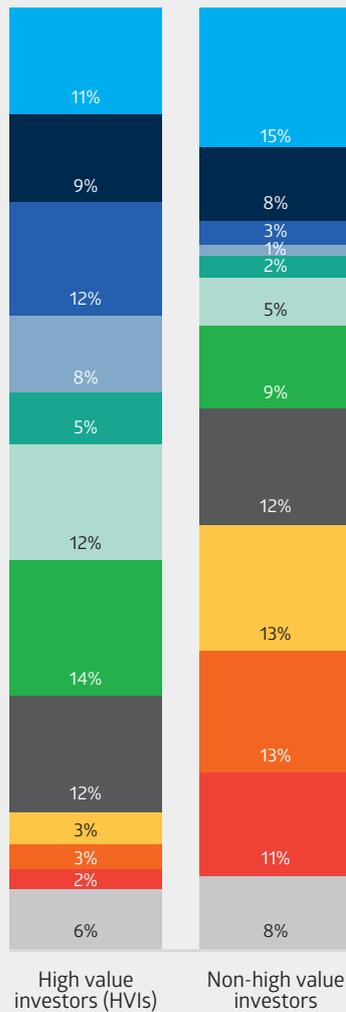


FIGURE 63

HIGH VALUE INVESTORS HAVE A GREATER CAPACITY AND WILLINGNESS TO PAY FOR ADVICE

What is the most you are prepared to pay per year to have your financial advice needs met? (Investors)

- N/A, do not have advice needs
- I don't know
- More than \$5,000
- \$4,001 to \$5,000
- \$3,001 to \$4,000
- \$2,001 to \$3,000
- \$1,001 to \$2,000
- \$501 to \$1,000
- \$251 to \$500
- \$101 to \$250
- \$100 or less
- Need advice, but would not pay



ENGAGING LAPSED INVESTORS AND OTHER NON-INVESTORS

For financial services firms, it's important not to overlook the potential needs of lapsed investors and other non-investors, many of whom may be closer to investing than they first appear.

For non-investors, the main barriers to investing are a lack of funds and a lack of confidence – both of which could potentially be addressed by a suitable cashflow management and investment plan.

Lapsed investors have similar objections and concerns, with many also lacking time and knowledge. For these people, accessible investment advice and education could make a significant difference. Budgeting and paying down debts are high-priority goals for lapsed investors, suggesting they are predisposed to discover opportunities to improve their financial situation, if approached in the right way.

THE DIGITAL SHIFT

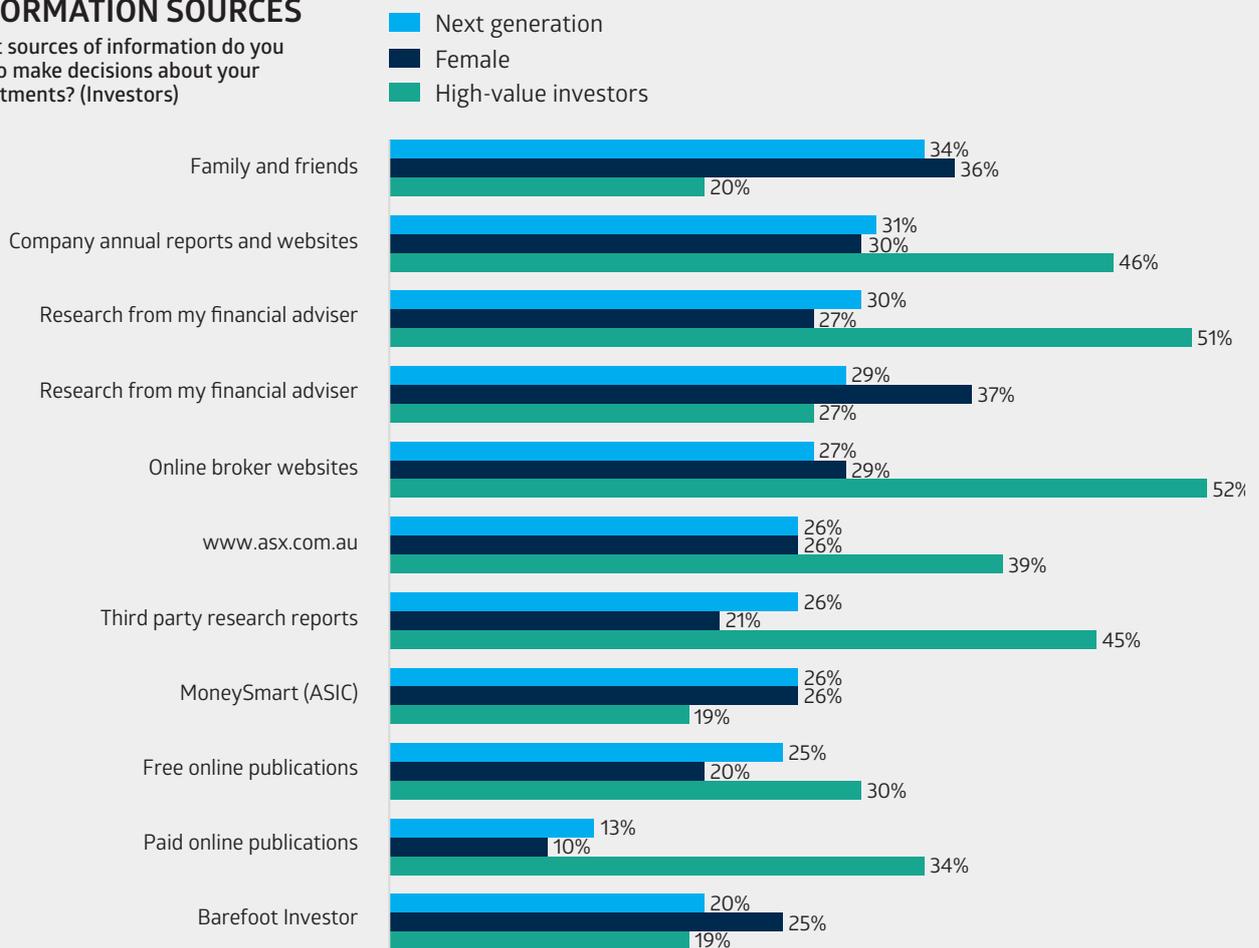
The rise of a new generation of younger investors, combined with a proliferation of online investment information and tools, has seen a shift towards digital channels across investor groups. Our survey also suggests there has been a fragmentation in the market, with different groups preferring different sources, and each group drawing on a wide variety of channels to inform their investment decision making. Importantly for advisers and brokers, a growing investor preference for digital channels provides the ability to communicate at scale, with impact.

High value investors are among the highest consumers of investment information, and the group most likely to seek information from online broker websites (52%) or subscribe to paid online publications (34%). In contrast, women and next generation investors show a high propensity to rely on family and friends to help them navigate the information maze. The ASX web site also features in the most frequently used information sources across all groups, with particularly high usage by high value investors (39%), who are also among the highest users of ASX education seminars and videos.

FIGURE 64

PREFERRED INFORMATION SOURCES

What sources of information do you use to make decisions about your investments? (Investors)



22%

OF INTENDING INVESTORS INTEND TO START USING DIGITAL INVESTING PLATFORMS IN THE NEXT 12 MONTHS

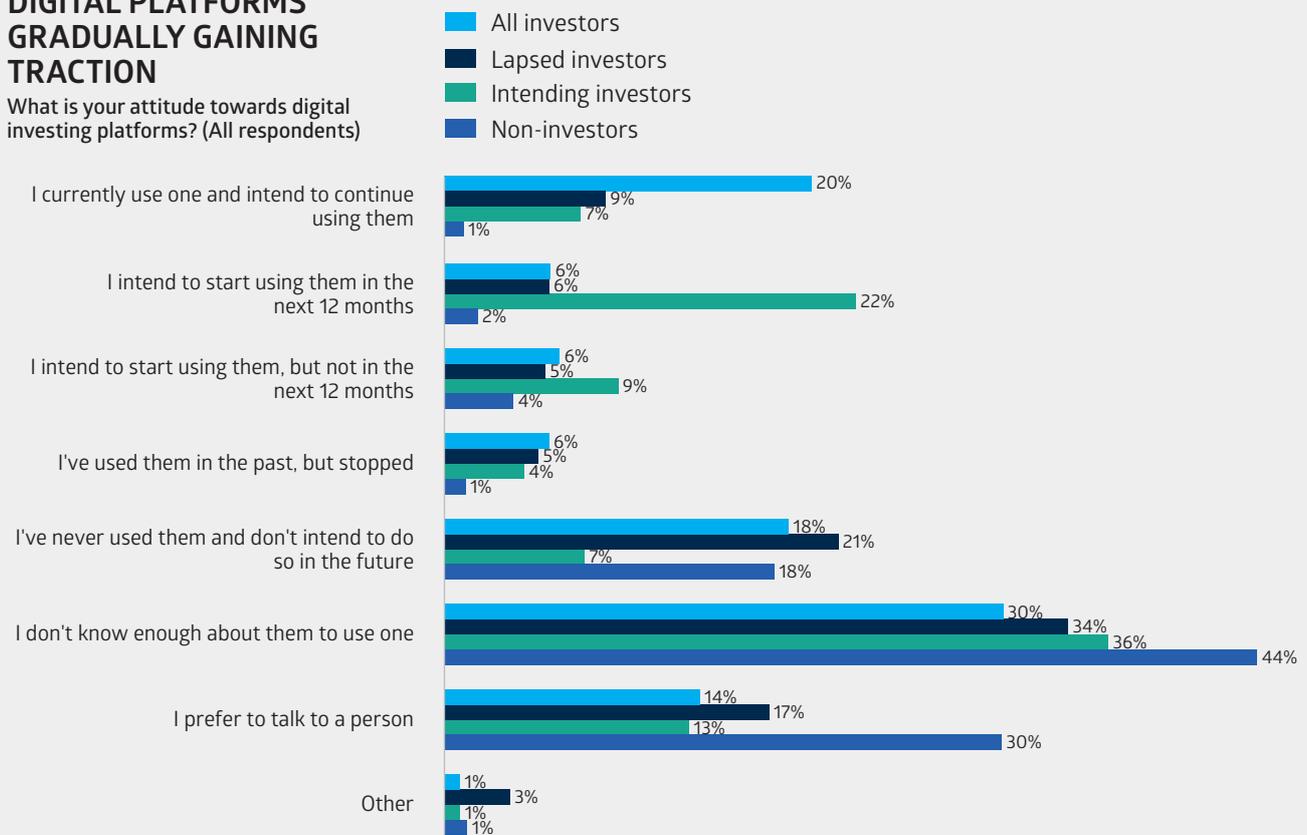
Investors prefer to receive information through a mix of channels, both digital and in-person. Emails, PDFs and online reading materials rate highly across all groups, with next generation investors also highly engaged with YouTube videos (41%). Yet both women and next generation investors also express a strong preference for one-on-one education sessions, while high value investors are more likely to prefer group seminars and live webinars, and 22% also interested in trade shows and expos.

Usage of digital investment platforms, including micro-saving apps and robo-advice, has also accelerated, with a remarkable one in five current investors saying they now use these solutions. Favoured by younger and less experienced investors, these platforms provide an accessible entry point for those who are motivated to begin investing, but unsure where to begin, with only small amounts of capital available. Their usage looks set to increase, with 31% of intending investors saying they plan to use them, including 22% who plan to do so within the next 12 months.

FIGURE 65

DIGITAL PLATFORMS GRADUALLY GAINING TRACTION

What is your attitude towards digital investing platforms? (All respondents)



ENGAGING DIFFERENT INVESTOR TYPES



CURRENT INVESTORS

1.

Use articles, videos and case studies to show how financial and investment advice could help achieve key goals, including paying down debt, risk protection, children's education and saving for an investment property.

2.

Use multiple communication channels, with messages targeted at different age groups and investor types.

3.

Keep investment information simple, clear and actionable to avoid overload and confusion.

4.

Address key challenges, including market volatility and investment selection.

5.

Demonstrate your expertise with educational content on topical issues of concern to investors, including diversification and the resilience of dividends in a recession.



LAPSED INVESTORS

1.

Explain how financial and investment advice can help time-poor individuals resume investing with confidence.

2.

Re-engage lapsed clients with inspiring case studies showing investors using affordable investment strategies (for example, a regular investment plans into a diversified ETF or managed fund).

3.

Overcome procrastination with educational content on compounding and time in the market.

4.

Address key concerns, including volatility and risk management.

5.

Publish educational content using a range of channels and formats to give lapsed investors knowledge and confidence to move forward.



THOSE WHO HAVE NEVER INVESTED

1.

Consider creating a tiered advice offering with graduated fees, beginning with cash flow and debt management, then moving to investing as capital accumulates.

2.

Use social proof to attract and inspire potential clients, with real-life case studies and video testimonials.

3.

Harness a combination of online and in-person communications to appeal to different audiences.

4.

Publish clear and jargon-free educational content on essential investment concepts.

5.

Create referral networks targeting distinctive audience types, including women and intending investors.

CONCLUSION

Australian investors: active, engaged and open to professional advice

The events of 2020 have impacted financial markets around the world. Yet they have also demonstrated the resilience of everyday Australians and their continued interest in investing for the future.

Recent market volatility has seen a noticeable rise in investor activity on ASX, with new and existing investors looking to expand and diversify their portfolios at current valuations. While that does raise the risk that some retail investors are attempting to time the market – not always successfully – our research also suggests that many have become more focused on the fundamentals of sound investing, including diversification, the sustainability of dividends and hedging strategies.

For advisers and stockbrokers, these are largely positive signs. Not only are more Australians actively thinking about their finances and their investments, but many have become more inclined to seek out educational resources and professional guidance. They are also consulting a wider variety of sources than ever before, making it possible to reach potential and existing clients with targeted messaging across multiple touchpoints.

While much remains uncertain, it is clear that Australians will continue to seek opportunities to build wealth and improve their financial wellbeing. We look forward to the opportunity to partner with your business and support you in your ongoing efforts to help them achieve those objectives.

APPENDIX: RESEARCH METHODOLOGY

The ASX Australian Investor Study 2020 builds on the ASX Australian Share Ownership Study, produced regularly since 1986, and its successor, the ASX Australian Investor Study 2017. Like the 2017 study, the scope of the 2020 research has been expanded from previous reports, to include the attitudes of Australians towards the full universe of available investment options.

SAMPLE SOURCES

The study is based on two quantitative online surveys conducted by Investment Trends in January 2020 and May 2020.

JANUARY 2020 SURVEY

The January survey was conducted in two phases:

- **Control sample:** we recruited a nationally representative panel by gender, age and super balance.
- **Additional sample:** we recruited additional participants in selected segments from Investment Trends' panel of investors and SMSFs to ensure a statistically significant sample for detailed analysis within those segments.

MAY 2020 SURVEY

The May 2020 survey focused on the impact of COVID-19 on investors' attitudes and investment behaviour. The survey sample was recruited from Investment Trends' opt-in panel of investors and SMSFs.

SAMPLE SIZES

Survey	Responses collected	Complete responses after data cleaning and validation
January 2020	10,365	5,002
May 2020	563	507

SAMPLE SIZES BY TARGET GROUP

The target groups for analysis were:

Target group	Sample size: January 2020
Investors (hold investments personally in a family trust, in a company structure, or in an SMSF)	3,419
Lapsed investors	346
Never invested	1,064

SAMPLE WEIGHTING

JANUARY 2020

The January 2020 survey sample was post-weighted to:

- match ABS reporting on the composition of the Australian adult population, and
- give the correct distribution of SMSFs, investors and non-investors.

After the weighting process, the final sample size is 4,845 Australian adults. The maximum sampling error (centre of the range) at the 95% confidence interval for Australian adults is +/-1.41%. Note that analysis of smaller subgroups will have a higher sampling error.

MAY 2020

The May 2020 survey sample was post-weighted slightly to match the age and gender composition of investors. The maximum sampling error (centre of the range) at 95% confidence interval for investors is +/- 4.3%. Note that analysis of smaller subgroups will have a higher sampling error.

Some figures may not total 100% due to rounding or multiple responses being allowed.



ABOUT ASX

ASX is one of the world's leading financial market exchanges. It operates at the heart of the globally attractive, deep and liquid Australian financial markets.

As an integrated exchange offering, ASX provides a full suite of services including listings, trading, clearing, settlement, technical and information services, and other post-trade services. It operates markets for a wide range of asset classes including equities, fixed income, commodities and energy.

ASX puts our customers at the centre of everything we do. With a proud history as an early and successful adopter of new technology, ASX continues to embrace innovative solutions to make life easier for customers, help companies grow, create value for shareholders and support the Australian economy.

FURTHER INFORMATION

For more information please contact the ASX Investment Products team:
investmentproductsales@asx.com.au



ABOUT INVESTMENT TRENDS

The ASX Australian Investor Study 2020 was conducted by Investment Trends – a specialist financial services market research organisation providing business insights and decision support information to many of the world's leading financial services organisations. Investment Trends combines analytical rigour and strategic thinking with the most advanced market research and statistical techniques to help clients gain competitive advantage. As a company Investment Trends aims to improve the lives of millions of investors by making the whole financial services industry better.

Investment Trends' research coverage spans eight countries across Australia, Asia, Europe and the US. Their clients include industry regulators, leading local and global banks, investment platforms, leverage trading providers, fund managers, superannuation and pension funds, product issuers and manufacturers and financial planning software providers.

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