



MONTGOMERY  
INVESTMENT MANAGEMENT PTY LTD

## Exclusive Subscriber Content

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# Montgomery Q1 2016 Investor Sentiment Survey

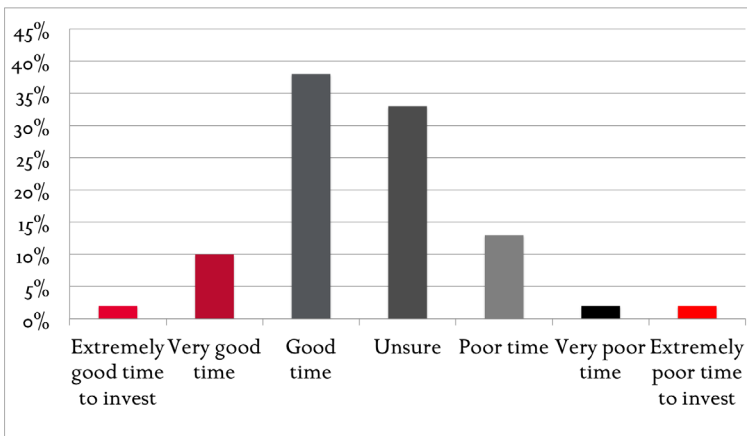
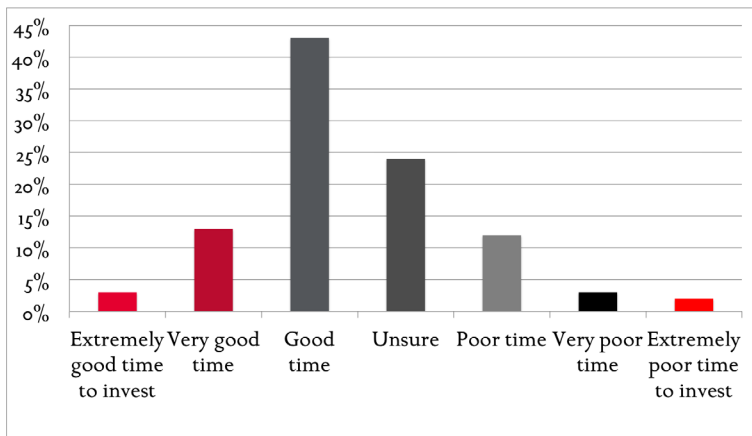
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**Question 1.** Considering the current state of the economy, do you think it is a good or poor time to be investing in the,

a) the Australian stock market?

b) in Global shares?



Despite the turbulent start to the year, or perhaps because of that, nearly 60 per cent of Montgomery survey respondents were positive about investing in the Australian market answering now was a good, very good or extremely good time to invest.

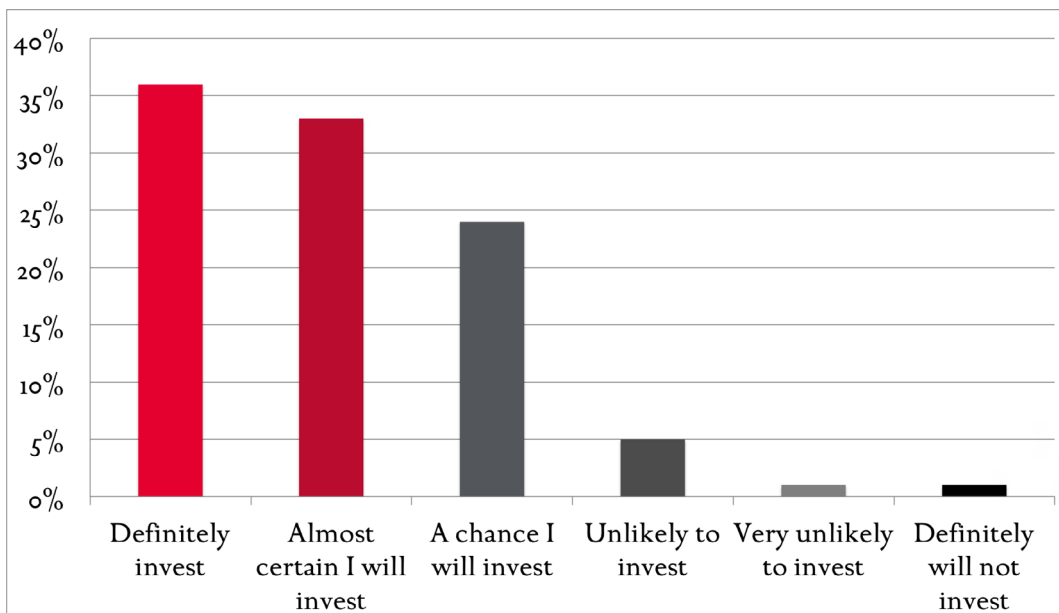
Conversely only 17 per cent of investors believed it was a poor, very poor or extremely poor time to be investing locally.

In Montgomery’s November 2015 survey to webinar respondents, only 40 per cent of investors were positive about investing in the Australian stock market.

Sentiment to global equities was similar but only 50 per cent of investors believe it is a good time to invest globally. A higher percentage felt unsure about global investing (33%) compared to 24 per cent unsure about investing domestically.

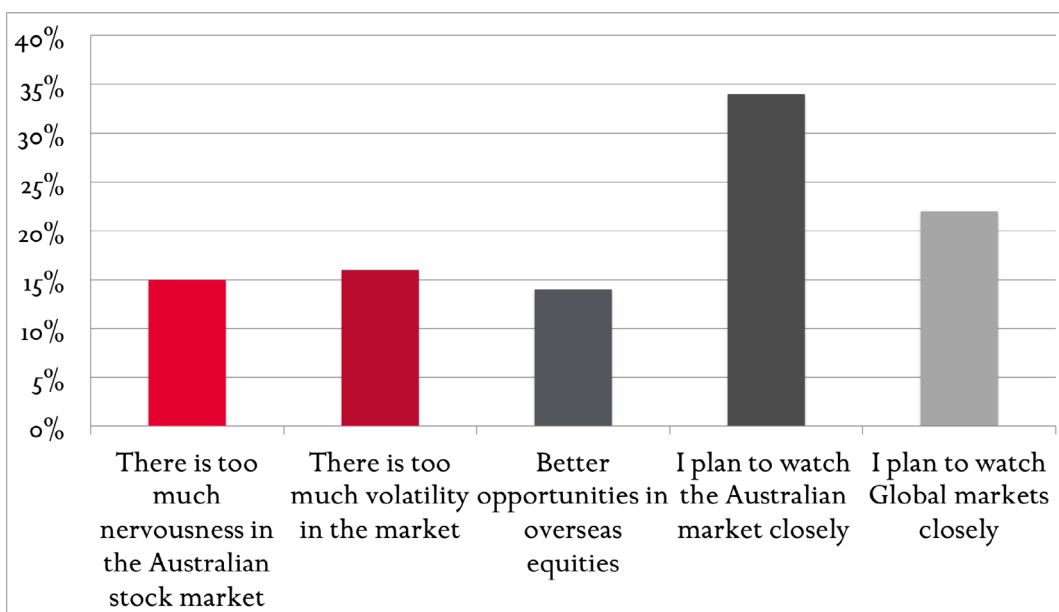
In summary, it seems the answers to the first two questions identify slightly more than half the survey respondents view global and domestic shares as attractive.

**Question 2.** How likely is it that you will invest into the Australian stock market in the next 12 months?



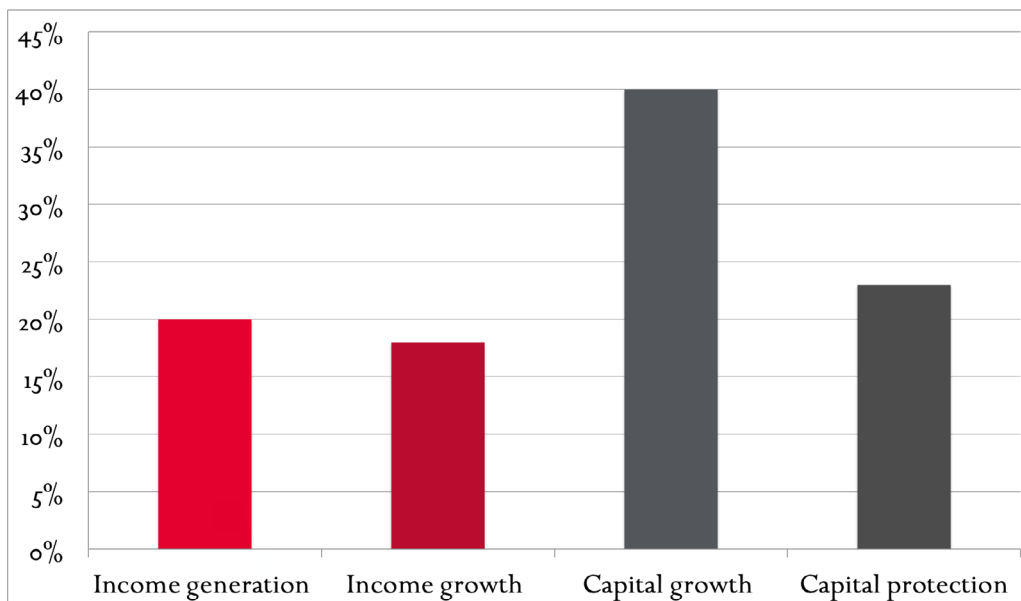
The cautiously positive sentiment in the survey and the relatively weaker outlook for domestic equities did not impact intentions to invest in Australian equities. Seventy per cent of respondents intend to invest in Australian equities in the next 12 months. We’d like to think Montgomery’s dedication to education and value investing may be bearing fruit in the form of a more patient and business-like approach.

**Question 3.** Following are some statements that have been made about Australian and Global equities, please choose the ones that explain your thoughts? (multiple responses were captured)



With only 14 per cent of respondents believing global equities provide better opportunities the results suggests a “home-bias” to domestic stocks remains.

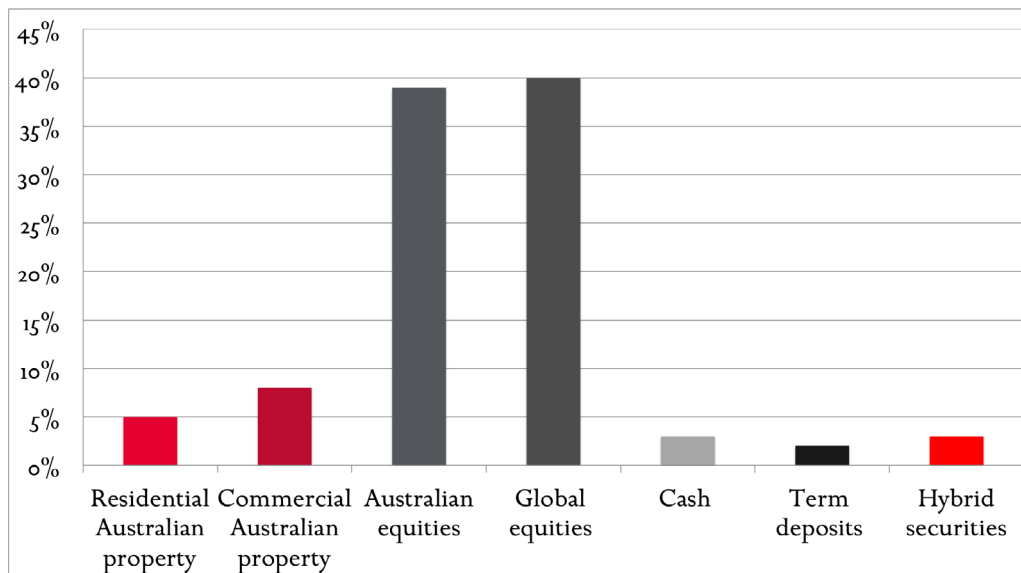
**Question 4.** Thinking about your investment needs, choose the objectives that are important to you? (multiple responses were captured)



Survey respondents provided clear direction when it comes to what they seek – it’s capital growth leading their decisions.

Responses were relatively even among income growth (18%) and income generation (20%).

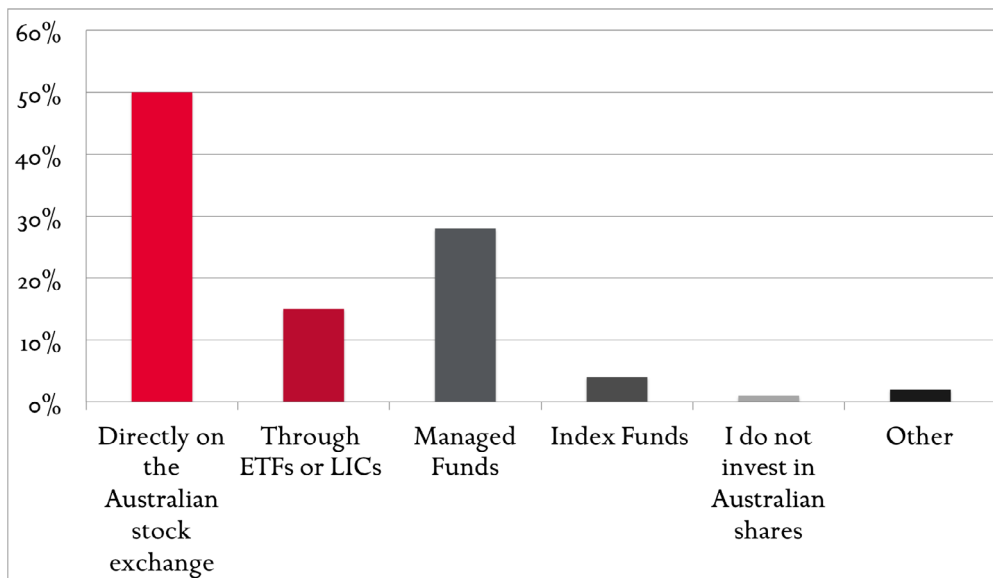
**Question 5.** Thinking about the next 3-5 years, where do you think the best returns will come from? (multiple responses were captured)



Investors were split on whether the best returns will come from overseas (40%) or domestic equities (39%) over the next three to five years. But overwhelmingly equities dominate, with nearly 80 per cent of respondents believing they would provide the best returns.

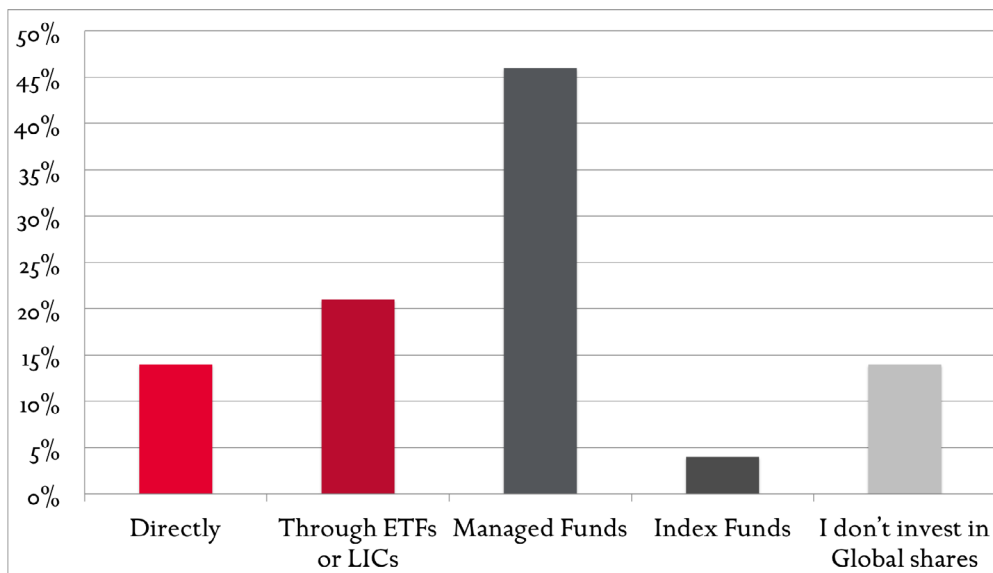
Property was a distant second with 13 per cent (residential 5% and commercial 8%) and less than 5 per cent believed cash and terms deposits would provide the best returns.

**Question 6.** I currently invest in Australian shares in the following ways... (please select all the ways in which you invest in Australian shares) (multiple responses were captured)



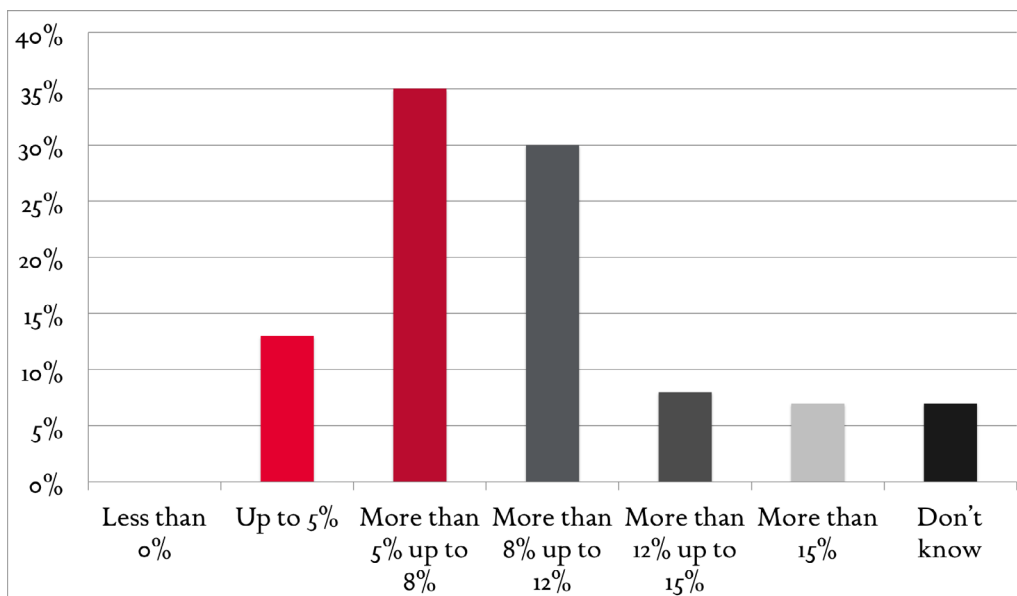
The vast majority of respondents to the survey invest directly on the Australian stock exchange (50%) or through managed funds (28%). 15 per cent of investors use ETF or LICs and Index Funds were least popular at only 4 per cent. Only one per cent of investors to do the survey do not invest in Australian shares. The poor showing for Index Funds suggests the Montgomery audience is a more sophisticated investor.

**Question 7.** I currently invest in Global shares in the following ways... (please select all the ways in which you invest in Global shares) (multiple responses were captured)



Contrasting question 6, investors are not as active directly when it comes to global investing. Almost half the investors (46%) who do invest off shore, do so through managed funds.

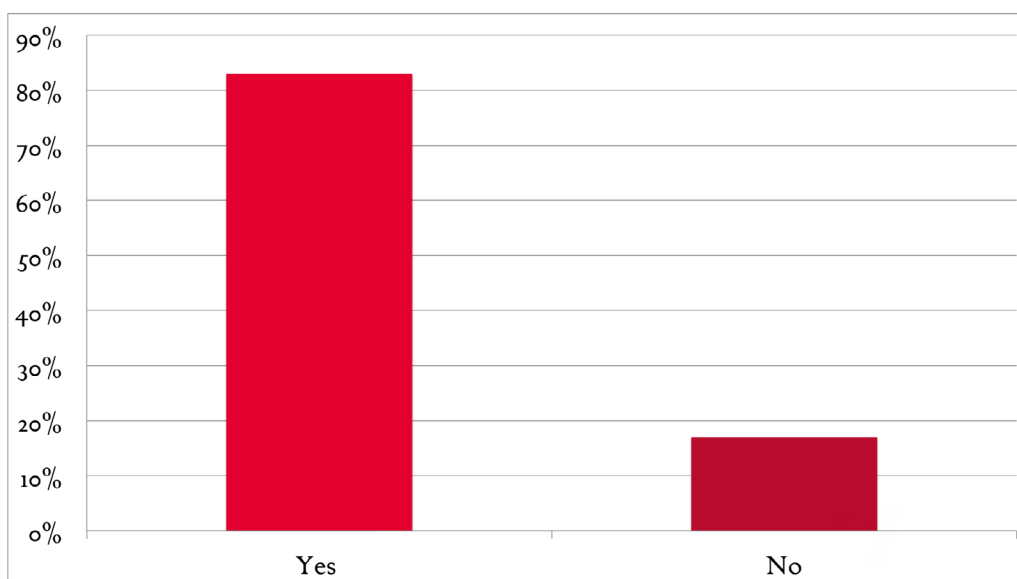
**Question 8.** What overall investment return do you think you will achieve in your investment portfolio per annum during the next 3-5 years (after paying investment fees)?



The vast majority of investors (65%) believed returns from 5 per cent to 12 per cent were realistic. Only 15 per cent of investors believed they could generate returns of more than 12 per cent per annum and conversely only 13 per cent believed their returns would be limited to less than 5 per cent.

No investors believed they would generate a negative return and 7 per cent were not sure what returns they would generate.

**Question 9.** Do you currently have an active online trading account?



Survey respondents are active investors with 83 per cent of people currently trading online.