



ASIC
Australian Securities &
Investments Commission

REPORT 735

Retail investor research

August 2022

About this report

This report was produced by SEC Newgate Research in close consultation with ASIC.

It presents the findings of research into Australian retail investors' motivations, attitudes and behaviours. The results provide a point-in-time snapshot of the period following the onset of the COVID-19 pandemic.

Retail investor research

**Prepared for the Australian
Securities and Investments
Commission**

August 2022



Prepared by SEC Newgate Research in close consultation with ASIC

ASIC has redacted parts of this report, which appear as blacked out text. In particular, the names of specific trading platforms and financial influencers have been redacted. This has been done in the interests of neutrality and privacy, and to prevent any impact on market competition.

DISCLAIMER

In preparing this report we have presented and interpreted information that we believe to be relevant for completing the agreed task in a professional manner. It is important to understand that we have sought to ensure the accuracy of all the information incorporated into this report. Where we have made assumptions as a part of interpreting the data in this report, we have sought to make those assumptions clear. Similarly, we have sought to make clear where we are expressing our professional opinion rather than reporting findings. Please ensure that you take these assumptions into account when using this report as the basis for any decision-making. The qualitative research findings included throughout this report should not be considered statistically representative and cannot be extrapolated to the general population. For the quantitative research results, the base (number and type of participants asked each question) and the actual survey questions are shown at the bottom of each page. This project was conducted in accordance with AS: ISO20252:2019 guidelines, to which SEC Newgate Research is accredited. Project reference number: NGR 2105008.



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Executive summary

Introduction

SEC Newgate conducted research on behalf of the Australian Securities and Investments Commission (ASIC) to explore retail investor motivations, attitudes and behaviours.

The study used a mixed method approach involving a preliminary, qualitative research phase, followed by a nationally representative online survey of 1,053 Australian retail investors aged 18 and over. Fieldwork was undertaken in August and November 2021.

The specific target audience for this research was active Australian retail investors who had made at least one transaction (trading securities, derivatives, or cryptocurrency) since March 2020. A cut-off point of March 2020 was chosen because this represented when COVID-19 first had a significant impact in Australia. There were three key participant segments based on their period of time investing:

- 1) **recent investors:** those who started investing during or after March 2020 (i.e. since COVID-19 first had a major impact in Australia);
- 2) **moderately experienced investors:** those who started investing before March 2020 but less than five years ago; and
- 3) **most experienced investors:** those who had been investing for five years or more.¹

Key findings

Investing behaviours

Overall, Australian shares were the most common product type held by investors

The most common product type held by investors was Australian shares (73% owned at least one of this product type, with a median of three different Australian shares held).² The next most common were cryptocurrencies (44% owned at least one of this product type, with a median of three different cryptocurrencies held) and international shares (31% owned at least one of this product type, with a median of two different international shares held). Recent investors (55%) and moderately experienced investors (52%) were more than twice as likely to report holding at least one type of cryptocurrency in their portfolio, compared to the most experienced investors (22%).

Most investors held fewer than five different product types in their portfolios

The majority of investors (82%) held fewer than five product types overall (e.g. Australian shares, cryptocurrencies, international shares). Over one-third (36%) of investors held one product type only (e.g. Australian shares only), 24% held two different product types, 22% held three or four product types, and 18% held five or more product types. Of those investors who held only one product type, most were invested in either Australian shares only (53%) or cryptocurrencies only (31%).

¹ All three years of investing experience segments were included in the quantitative research. Only the 'recent investors' and the 'most experienced investors' were included in the qualitative research, due to the limited scope of the qualitative research.

² Investors were asked to indicate all relevant financial products or investments that they currently owned in their portfolio. This included investments owned through self-managed superannuation funds (SMSFs) and investment properties. It excluded investments owned through standard superannuation, and excluded SMSFs as a financial product in its own right.

Of all the investors who held cryptocurrencies, 25% held cryptocurrencies only and 75% held cryptocurrencies in combination with other product types.

Investors whose portfolio consisted of more product types tended to hold a larger total number of investment products overall. For example, investors who held just one product type had a median of three different products in their investment portfolio, while investors with five or more product types held a median of 19 different products.

Estimated total investment portfolio value varied by years of investing experience and other factors

Overall, the reported total value of investors' portfolios³ was mixed, with one in five investors (20%) estimating that they held up to \$5,000, around one in four (24%) estimating between \$5,000 and \$35,000, and similar proportions estimating between \$35,000 and \$200,000 (25%) or \$200,000 or more (27%).

Recent investors tended to hold lower valued portfolios, with 58% reporting they held less than \$35,000 compared to 20% of the most experienced investors. The proportion with a portfolio value over \$200,000 (27% in total) was three times higher among the most experienced investors than recent investors (47% vs. 16% respectively). The most experienced investors were also more likely to be older (68% were aged 55 and over) and were more likely to have investment properties and self-managed superannuation funds (SMSFs) (both included in this question) and, therefore, larger portfolios.

On average, investment portfolios tended to make up around half of investors' total wealth, with Australian shares, cryptocurrencies and residential investment properties dominating individual portfolios

Investors were asked to estimate (using a percentage figure) how much their current investment portfolio made up of their current total wealth (including primary residence and any investment properties, and all forms of savings, investments and superannuation). Investment portfolios were estimated to make up around 48% of investors' total wealth on average, although individual estimates varied widely.

Australian shares, cryptocurrencies and residential investment properties were the most dominant within individual investment portfolios.⁴ Of those who reported owning Australian shares, 51% estimated that Australian shares made up at least half of their portfolio value. Similar results were recorded for cryptocurrency and residential investment property, with 40% and 43% of owners (respectively) indicating that these products made up at least half of their portfolio value.

Many investors tended to check up on their investments frequently

Among owners of each product, at least half of those investors reported *checking up* on their investments once a week or more often, with cryptocurrency being the product type investors checked with the highest frequency. Three in five of all investors holding cryptocurrency (62%) said they usually checked their holdings at least daily and 23% checked them once a week, which was notably higher than all other product types.

³ Total investment portfolio included investment properties and SMSFs, but excluded primary place of residence and standard superannuation.

⁴ Investors were asked to consider the dollar value of the different products they owned and estimate the approximate percentage that each product represented in their investment portfolio.

Cryptocurrencies, Australian shares, international shares, and gold or silver were reportedly being *bought* more often than they were being *sold* post March 2020

Overall, when comparing the frequency at which products were reportedly *bought* and *sold* since March 2020, cryptocurrencies, Australian shares, international shares, and gold or silver were reportedly being *bought* more often than they were being *sold*. Around nine in ten investors who had traded these products since March 2020 said they had *bought* them but only around two-thirds reported *selling* any of these types of products in that time.

Among those who had traded each product, the products *bought* most frequently (weekly or more often) since March 2020 were contracts for difference (CFDs) (49% of those who had traded CFDs indicated they *bought* this product type weekly or more often), exchange traded options (ETOs) (48%), market linked notes (48%) and margin foreign exchange (43%). These products were also the most likely to be *sold* frequently, with over 40% of those who had traded these products indicating that they sold CFDs (47%), ETOs (41%), market linked notes (44%) and margin foreign exchange (42%) weekly or more often since March 2020.

Australian shares were *bought* and *sold* less frequently than other product types, with less than a quarter of investors who had traded Australian shares reporting *buying* (23%) or *selling* (17%) this product at least weekly.

Around one in three investors (32%) who had traded cryptocurrency reported *buying* this product weekly or more often since March 2020, while 23% reported *selling* it at least weekly. Over one-quarter of investors (28%) who had traded cryptocurrency reported 'never' selling this product since March 2020.

Male investors reported both *buying* and *selling* some products more frequently than female investors. For example, 22% of male investors who had traded Australian shares said they *sold* these at least weekly compared to 7% of female investors. The pattern was similar for cryptocurrencies (26% of male investors *sold* these at least weekly vs. 14% of female investors).

Over four in ten of all experienced investors (moderately experienced and the most experienced investors) (44%) believed that COVID-19 had an impact on their trading frequency

One-third of all experienced investors (30%) reported that they were trading *more* than before COVID-19, and 14% reported they were trading *less* than before COVID-19. Male experienced investors were more likely to say they were trading 'a lot more' than before COVID-19 (18% vs. 7% of female experienced investors). Just over half of all experienced investors (56%) believed that COVID-19 had 'no impact' on their trading frequency.

Investments were most commonly funded from personal income and savings

Since March 2020, many investors reported using their personal income and savings (70%) to fund their investments. A smaller proportion reported that they had used their dividends (24%), interest from savings or term deposit/s (20%), or profits from the sale of other investments (18%) to fund their investments. Those more likely to use dividends to fund their investments included the most experienced investors (35% vs. 18% of recent investors and 23% of moderately experienced investors), homeowners (34%) and retirees (44%), and male investors (27% vs. 18% of female investors). Investors more likely to use profits from the sale of other investments included the most experienced investors (23% vs. 14% of recent investors), and male investors (22% vs. 11% of female investors).

Motivations and feelings towards investing⁵

Several factors drove the decision to first start investing but the biggest drivers were social and financial

Multiple factors influenced investors' decision to first start investing, with the most common being family or friends (27%), wanting to generate another income stream (26%) and wanting financial independence (23%). Overall, there were few significant differences by years of investing experience, gender or age, with the most commonly selected factors holding true for all key groups. There were some differences by age among the less common factors, including that investors aged 55 and over were more likely to select 'I didn't want to rely on superannuation / pension for retirement' (16% vs. 8% of those aged 18-34 and 11% of those aged 35-54) and less likely to indicate 'I wanted to make some quick money' (9% vs. 16% of those aged 18-34 and 17% of those aged 35-54).

Some recent investors indicated that COVID-19 was a factor influencing their decision to start investing, either because they 'had extra time to research and invest due to COVID-19' (13%) or because they 'had extra money to invest due to COVID-19' (11%).

Overall, Australian shares were the most common first purchase for investors

The most common financial product that investors had started investing in was Australian shares (52%), particularly for the most experienced investors who started investing five or more years ago (72%). The second most commonly chosen product as a first investment was cryptocurrencies (19%), with recent investors and moderately experienced investors more likely to say that this was their first investment (28% and 20% respectively, vs. just 3% of the most experienced investors).⁶

Investing triggered a range of emotions at any given time,⁷ often positive emotions

In the quantitative survey, investors reported feeling a range of emotions when investing (including selling, buying and researching investment options). These emotions were often positive, such as 'hopeful' (38%), 'motivated' (29%), and 'excited' (28%). Only a single negative emotion made the top ten: 'anxious', which 17% reported feeling.

The most experienced investors were more likely than recent investors to use 'in control' (30% vs. 22%) and 'calm' (31% vs. 18%) to describe their feelings when investing. Reported feelings towards investing were mixed among recent investors, who were more likely to say they felt 'excited' (32% vs. 22% among the most experienced investors), but also 'indecisive' (14% vs. 6%) or 'confused' (11% vs. 5%).

⁵ A number of research constraints and limitations apply to the questions about motivations and feelings towards investing - for example, the unconscious influence of natural behavioural biases, such as social desirability bias, availability bias, present bias, and overconfidence and/or overoptimism. Refer to 'Research constraints' in Appendix 2.

⁶ Cryptocurrencies were not a common and/or available investment for some of the most experienced investors, who had been investing for five years or more.

⁷ See 'Market context at time of fieldwork' in the 'About the research' section.

Attitudes and approach to investing⁸

Investors used a range of terms to describe their approach to investing but sometimes these appeared inconsistent with, or varied for, different parts of their portfolio

Overall, investors selected a range of different terms to describe their current approach to investing, with three terms selected on average. The most common terms investors chose were 'in it for the long-term' (30%), 'safe' (26%), 'balanced' (24%) and 'planned' (20%). Other common terms chosen were 'set and forget' (18%), 'strategic' (18%), 'active' (18%), and 'calculated' (18%). Approaches such as 'day-trader' (7%), 'reactive' (6%) and 'obsessed' (4%) were selected by few investors overall. Investors who held five or more product types in their portfolio were more likely than investors who held fewer product types to select 'active' (37% vs. 14%), 'planned' (36% vs. 17%), 'well-diversified' (33% vs. 14%), 'strategic' (30% vs. 16%), 'calculated' (27% vs. 16%) and 'research-led' (23% vs. 12%), but were also more likely to indicate that they were 'obsessed' (12% vs. 3%) and 'risk-taking' (24% vs. 13%).

Only one in five cryptocurrency owners (20%) considered their investment approach to be 'risk-taking'. Investors that held *only* cryptocurrency were just as likely to consider that they were 'risk-taking' (19%) as investors that held cryptocurrency in combination with other product types (21%). One in ten investors that held *only* cryptocurrency considered their investment approach to be 'safe' (11%) and 'balanced' (11%).

Overall, there were few significant differences by years of investing experience. The most experienced investors were more likely to select 'in it for the long-term' (40% vs. 25% of recent investors), and around a quarter of this group selected 'balanced' (28% vs. 20% of recent investors), 'planned' (26% vs. 17% of recent investors) and 'well-diversified' (24% vs. 12% of recent investors). Recent investors were more likely to describe their approach as 'inexperienced' (21% vs. 11% of moderately experienced investors and 10% of the most experienced investors).

Investors aged 55 and over were more likely to select 'in it for the long-term' (43% vs. 24% for those aged 18-34 and 29% for those aged 35-54) and 'well-diversified' (22% vs. 13% for those aged 18-34) to describe their approach to investing. Investors aged 18-34 were less likely to select 'balanced' (17% vs. 27% for those aged 35-54 and 28% for 55 and over).

While eight in ten investors said they do research before making an investment decision, it was not uncommon to invest in things because their friends were doing so or because they didn't want to miss out

Overall, eight in ten investors (80%) agreed with the statement 'I do research before making an investment decision' and seven in ten (72%) agreed that 'I only invest as much as I'm prepared to lose'. However, half of all investors (50%) agreed that 'I've invested in things because I don't want to miss out' and over a third (36%) agreed that 'I've invested in things because my friends were doing so'. Recent investors were more likely to agree with these statements (54% and 44% respectively) than the most experienced investors (42% and 26% respectively).

When asked in the focus groups to reflect on how they judge the credibility of different investment information sources, many investors struggled to describe specifically how to judge this.

⁸ A number of research constraints and limitations apply to the questions about attitudes and approach to investing - for example, the unconscious influence of natural behavioural biases, such as social desirability bias, present bias, and overconfidence and/or overoptimism in the selection of terms. Refer to 'Research constraints' in Appendix 2.

Attitudes to risk and loss⁹

One in five investors overall (19%), and just 17% of investors who *only* owned cryptocurrency, said they owned products they considered risky or speculative

Across all the focus groups, the concept of risk was not an easy concept for investors to describe and define. In the survey, around half of investors (49%) described their attitude to risk as 'I prefer stable, reliable returns', with 20% indicating that they were *less* risk tolerant than this (describing their attitude as 'I prefer guaranteed returns') and 31% indicating they were *more* risk tolerant than this (with 22% describing their attitude as 'I'd accept moderate variability in returns', and 9% describing their attitude as 'I'd accept higher variability with the potential for greater returns'). The most experienced investors were less likely to describe their attitude to financial and investment risk as 'I prefer guaranteed returns' (14%), compared to moderately experienced investors (23%) and recent investors (23%).

Overall, one in five investors (19%) said they owned products they considered risky or speculative. Moderately experienced investors were more likely to say they owned risky or speculative products (27% vs. 16% of the most experienced investors and 18% of the recent investors). Just one in three cryptocurrency owners (34%) considered that they owned products that were risky or speculative, and those who *only* owned cryptocurrency were even less likely to consider that they owned risky or speculative products (17% vs. 40% of those who held cryptocurrency in combination with other products). Investors who reported that they currently held products in their portfolio considered risky or speculative were asked to name the product, with cryptocurrencies being the most commonly mentioned product by this group (73%, representing 14% of the total sample).

Investors had varied experiences with loss depending on the type of products owned or traded

More than four in ten investors said they had experienced 'realised losses' (selling the investment for less than they bought it for or losing the money invested completely) for the following product types: market linked notes (52%), hybrid securities (47%), ETOs (45%), CFDs (42%), margin foreign exchange (42%) and futures (40%). Around three in ten investors who owned or traded CFDs (31%), warrants (28%) or Australian shares (27%) had experienced 'unrealised losses' (i.e. a decline in investment value). The products where investors were more likely to select 'none of these' types of loss were gold or silver (44%) and exchange traded funds (ETFs) (40%).

Trading platforms and information sources

Banking trading platforms were the most commonly used by investors, but many other trading platforms were also in use

A wide range of trading platforms were reportedly used by investors. Banking trading platforms were the most commonly used platforms (with 31% of investors having used them since March 2020). The next three most used trading platforms were cryptocurrency exchanges, namely [REDACTED] (18%), [REDACTED] (16%) and [REDACTED] (14%).

⁹ A number of research constraints and limitations apply to questions about risk and loss - for example, the unconscious influence of natural behavioural biases, such as social desirability bias, loss aversion, availability bias, present bias, and overconfidence and/or overoptimism. Refer to 'Research constraints' in Appendix 2.

Investors reported accessing a wide range of, and multiple, sources of information on investing since March 2020

Investors had accessed information about investing from multiple sources since March 2020. On average, three 'main' sources were used by investors. Some of the commonly cited 'main' types of information sources included: 'Google searches' (34%); investors' personal networks, such as 'family or friends' (24%), 'spouse / partner' (10%) and 'work colleagues' (10%) (36% collectively); and social media and networking platforms¹⁰ (i.e. Facebook; Reddit; TikTok; Instagram; financial influencers such as those on social media; YouTube; podcasts and/or blogs) (41% collectively). The most commonly accessed social media sources were 'YouTube' (20%), 'Facebook' (11%), 'podcasts' (10%) and 'financial influencers (e.g. on social media)' (10%).

The most experienced investors were more likely to report accessing investment information from financial-focused sources, such as 'financial institutions' (29% vs. 14% of recent investors), 'ASX' (28% vs. 16% of recent investors), 'company websites' (25% vs. 14% of recent investors), 'financial planner/advisor/broker' (18% vs. 9% of recent investors) and 'company financial statements' (17% vs. 8% of recent investors).

A minority of investors (5%) indicated they hadn't accessed any information sources since March 2020.

Around two-thirds of investors recalled seeing advertising about investing in the last six months, most commonly via YouTube, Facebook or Google advertising

Investors were asked whether they had noticed any advertisements about investing across a range of channels over the last six months. Three in ten (31%) investors could not recall seeing anything, but 69% recalled seeing something, with YouTube (28%), Facebook (23%) and Google advertising (22%) being the most commonly recalled advertising channels.

Safeguards

Awareness of Australian financial regulators was limited

When asked to name any Australian financial regulators they had heard of, more than half of investors (55%) indicated they did not know any. One-third of investors (33%) were able to correctly name at least one Australian financial regulator (i.e. ASIC, APRA, RBA, ACCC, Treasury, ATO, AUSTRAC, or CFR).¹¹ One in six investors (16%) provided at least one incorrect response (i.e. named at least one entity that was *not* an Australian financial services regulator, such as specific banks, trading platforms, businesses in other industries, or other government agencies), and 12% of investors provided *only* incorrect responses.

Fewer than one in ten investors reported that they had experienced what they felt was a 'concerning issue' when investing or doing a trade

Fewer than one in ten investors (7%) said they had experienced what they felt was a 'concerning issue' when investing or doing a trade, such as a scam or frozen funds.¹² On closer examination,

¹⁰ There are many definitions of 'social media'. In this report, the term social media refers to a computer-based technology that facilitates the sharing of ideas, thoughts and information through virtual networks and communities. Source: [Social Media Definition \(investopedia.com\)](https://www.investopedia.com/terms/s/social-media-definition/).

¹¹ Meaning of acronyms: ASIC (Australian Securities and Investments Commission); APRA (Australian Prudential Regulation Authority); RBA (Reserve Bank of Australia); ACCC (Australian Competition & Consumer Commission); ATO (Australian Taxation Office); AUSTRAC (Australian Transaction Reports and Analysis Centre); CFR (Council of Financial Regulators).

¹² Investors may have been *unaware* that they had experienced a concerning issue (e.g. unaware that they had been scammed), may have been *reluctant to acknowledge it* (e.g. due to feeling embarrassed), may have had differing subjective views on what constitutes a 'concerning issue', and may have struggled to recall instances that occurred long ago (particularly for those who had been investing for many years), so the figure of 7% overall having experienced a concerning issue may not be accurate.

among the investors who said they had experienced a 'concerning issue', a quarter (25%) misunderstood the survey question and reported a minor issue such as a 'forgotten password or other technical issue'. A further quarter (25%) did not describe any issue or provided no details of the concerning issue.¹³ Nearly half (48%) described an actual serious or concerning issue. The most commonly described issues were having been 'scammed' (cited by 18% of those who said they had experienced a concerning issue), 'cryptocurrency related issues' (18%), 'scam attempts' (6%), 'funds being stolen or having gone missing' (5%), and a range of 'other concerning issues' (12%).

Among investors who reported experiencing what they felt was a 'concerning issue' when investing or doing a trade, the most common actions taken were: contacting the company or financial product issuer in question (28%), going to their bank or financial institution (27%), making contact through the platform they made the trade with (25%), and contacting ASIC (23%). Nearly a quarter (24%) said they did not do anything about the issue.

¹³ As above, investors may have been unaware and/or reluctant to provide details of some concerning issues they had experienced.

About the research

ASIC commissioned SEC Newgate Research to gather insights into Australian retail investors, to both build its understanding of current investors and supplement its existing market data and other sources of research conducted in Australia and overseas.

ASIC is Australia's corporate, markets and financial services regulator. It is an independent Australian government body. ASIC's role is to regulate company and financial services and enforce laws to protect Australian consumers, investors and creditors.

The research was designed to be a foundational study, to understand who is investing in what following the advent of COVID-19 in Australia. It focused on data and trends in investor demographics, attitudes and investing behaviours.

Market context at time of fieldwork

Both phases of research (qualitative and quantitative) were conducted during the ongoing COVID-19 pandemic. The qualitative fieldwork was conducted in mid-August 2021 when much of Australia (including Sydney, Melbourne and the Australian Capital Territory (ACT)) was in lockdown in response to the Delta variant outbreak. The quantitative survey was conducted in mid to late November 2021, following a substantial easing of restrictions and before the rapid rise of the Omicron variant.

Research participants were asked to reflect on their investing behaviour and experiences since the onset of the COVID-19 pandemic in Australia. This was phrased as 'in the past 18 months' in the qualitative research and 'since March 2020' in the quantitative survey.¹⁴ The onset of COVID-19 brought many changes to people's lives, and was marked by significant stock market crashes in Australia and around the world.¹⁵

During both fieldwork periods, Australia's consumer sentiment index was in positive territory, indicating an optimistic sentiment in the population overall.¹⁶ In both August and November 2021, stock markets in Australia and the US and cryptocurrency markets were around or had surpassed all-time highs (and were above their pre-pandemic peaks).¹⁷ Between August and November 2021, COVID-19 vaccination rates increased sharply in Australia.¹⁸

¹⁴ In March 2020, the first wave of positive cases accelerated in Australia, lockdown restrictions were introduced nationwide, and Australia's borders were closed to non-citizens.

¹⁵ For example: the ASX 200 fell approximately 38% in a month, from a high of 7,197.20 (on 20 February 2020) to a low of 4,402.50 (on 23 March 2020). The US stock market experienced some of the largest drops in its history, and the New York Stock Exchange suspended trading multiple times throughout trading sessions. During the same period, the price of Bitcoin more than halved from a high of approximately US\$10,000 to a low of approximately US\$4,100.

¹⁶ The [Westpac-Melbourne Institute Consumer Sentiment Index](#) was 104.1 points in August 2021 and 105.3 points in November 2021. This is slightly above its long-term average (since the 1970s) of 101.4 points, and well above the record low of 75.6 points recorded in April 2020 during Australia's first lockdown.

¹⁷ The ASX 200 hit an all-time high of 7,632.80 in August 2021, before retreating slightly towards the end of November (while still well above pre-pandemic levels). The US share market hit all-time highs during November 2021. Bitcoin was trading at around US\$40,000 in August 2021, and by November 2021 had reached all-time highs of around US\$68,000.

¹⁸ The proportion of the Australian population aged 16 years and over that had received at least one COVID-19 vaccination increased from 58% to 90% between August and November 2021, and the proportion fully vaccinated (two doses) rose from 34% to 83%. Source: Australian Government: Operation COVID Shield, [COVID-19 Vaccine Roll-out: 30 August 2021](#) (PDF 1.16 MB) and [COVID-19 Vaccine Roll-out: 14 November 2021](#) (PDF 1.18 MB).

Overview of methodology

This study comprised a mixed-method programme of qualitative and quantitative research with Australian retail investors aged 18 or over. A brief overview of the methodology is provided below, containing key information that is necessary to interpret the report. A more detailed methodology is available in Appendix 2.

Phase 1: Qualitative research (August 2021)

A two-staged approach was undertaken for the qualitative fieldwork:

- an online community platform with 26 retail investors from across Australia. Participants were required to complete several short tasks via the platform, prior to attending a focus group; and
- four focus groups with 22 retail investors (randomly selected from the 26 participants in the earlier online community), split by gender, age and period of time investing. Groups were conducted via video conferencing facilities.

This qualitative phase was used to inform and refine the quantitative phase. See Appendix 3 for a copy of the online community pre-tasks and the focus group discussion guide.

Phase 2: Quantitative research (November 2021)

A nationally representative online survey was conducted with 1,053 retail investors aged 18 years or over between 19 and 30 November 2021. See Appendix 3 for the quantitative questionnaire.

The specific target audience for this research was active Australian retail investors who had made at least one transaction (trading securities, derivatives or cryptocurrency) since March 2020. One in three online survey panellists qualified for the survey, suggesting that approximately 33% of Australians aged 18 or over had traded securities, derivatives or cryptocurrency since March 2020.

Using a combination of Australian Bureau of Statistics (ABS) Census proportions by age, gender and location and the incidence of retail investment (i.e. based on survey screening data), weights were calculated and applied to the survey data. See Appendix 2 for weighting proportions and a detailed breakdown of the online survey sample.

Participants with a range of years of investing experience were included in the survey, defined as follows:

- **recent investors:** those who started investing during or after March 2020 (i.e. since COVID-19 first had a significant impact in Australia);
- **moderately experienced investors:** those who started investing before March 2020 but less than five years ago; and
- **most experienced investors:** those who started investing five years ago or more.

Important research caveats

Margin of error

The online survey yielded a large and highly representative sample of Australian retail investors with an overall margin of error of $\pm 3\%$ at the 95% confidence level. Table 1 below shows the margin of error of various segments of the sample. A margin of error refers to how many percentage points a result may differ from the real population value. For example, a margin of error of $\pm 3\%$ at the 95% confidence interval means that a result will be within three percentage points of the real population value 95% of the time.

Table 1: Quantitative survey sample profile and associated margin of error

	Unweighted %	Number of participants (n=)	Margin of error % (+/-) at 95% confidence level
Gender			
Male	47	500	4.4
Female	52	550	4.2
Age			
18-34	29	309	5.6
35-49	34	358	5.2
50-64	20	210	6.8
65 and over	17	176	7.4
Years of investing experience			
Recent investors	46	481	4.5
Moderately experienced investors	17	182	7.3
Most experienced investors	37	390	5.0
Total	100	1,053	3.0

Reading the statistical charts and tables

Results may not always total 100% due to rounding. For multiple response questions, the results may add up to more than 100% as participants may have given more than one answer.

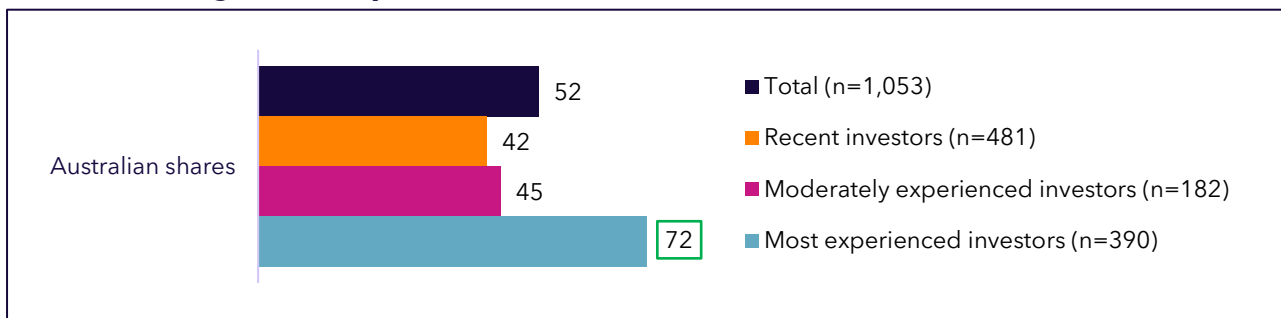
To ensure data reliability, results are typically only shown when the sample sizes are at least n=30.

Significance testing has also only been conducted on sample sizes at least n=30 or above.

Statistically significant differences (at the 95% confidence level) between segments based on their years of investing experience are shown using a **green box** (significantly higher) or a **red box** (significantly lower) around the relevant percentage. Significant differences on charts indicate when one segment is significantly higher or lower than the combined (or net) of all other segments. For example, the chart below shows that 72% of the most experienced investors first invested in Australian shares, which was significantly more than other investors (i.e. recent investors and moderately experienced investors, considered as a collective group).

Where relevant, the commentary within the report presents statistically significant differences between segments at a more granular level than on the charts (e.g. between the most experienced investors and recent investors, or between the most experienced investors and moderately experienced investors).

Image 1: Example figure showing how statistically significant differences are presented on charts (using the example of investors' first investments (%))



Research constraints

All research has constraints and limitations. In this research:

- the data collected was self-reported and therefore, like all self-reported data (e.g. surveys, focus groups, interviews), represents the subjective accounts of the participants. These accounts can be affected by:
 - natural **behavioural biases**, such as social desirability bias and present bias. Certain behavioural biases (or behavioural factors) may be especially influential within an investing context (e.g. overconfidence and/or overoptimism, social norms and social proof, loss aversion, commitment bias, and information overload); and
 - memory constraints** and recall bias. For example, participants were asked to provide specific details about their investment portfolios and their trading activity over the past 18 months (approximately); and
- fieldwork was conducted during the ongoing COVID-19 pandemic, a time of rapid social and economic change, and must be interpreted in this context - see the 'Market context at time of fieldwork' section above for further details. Due to **pandemic-related restrictions**, the focus groups were conducted online rather than face-to-face, which may have influenced the group dynamics.

Terminology

Throughout the survey, 'trading' and 'investing' were defined as personally buying and selling various financial products, such as through a trading platform, rather than trades made on behalf of investors by a financial planner or other third party. For investors with an SMSF, the survey asked that they include any trades directly made in the SMSF.

'Prompted' responses identify questions where participants were offered a list of choices to select from, while 'unprompted' questions allowed for participants to provide verbatim responses that were subsequently coded into common themes.

Throughout the report the term 'net' has been used where responses that are similar in nature have been grouped into one overarching theme (e.g. 'somewhat agree' and 'strongly agree' is shown as 'net agree').

See Appendix 1 for key terms.

Research findings

1. Investing behaviours

1.1 Investment portfolio overview

Survey participants were asked to report all relevant financial products and investments that they currently owned in their entire investment portfolios. They were allowed to include investments owned through SMSFs and investment properties. The survey excluded investments owned through standard superannuation, and excluded SMSFs as financial products in their own right.

Figure 1 and Figure 2 show that the most common products or investments held by investors overall were:

- Australian shares (73% owned at least one of this product type, with a median of three Australian shares held);
- cryptocurrencies (44% owned at least one of this product type, with a median of three cryptocurrencies held); and
- international shares (31% owned at least one of this product type, with a median of two international shares held).

Recent investors (55%) and moderately experienced investors (52%) were more than twice as likely to report holding at least one type of cryptocurrency in their portfolio, compared to the most experienced investors (22%). The most experienced investors (86%) were more likely to report holding at least one type of Australian share in their portfolio, compared to moderately experienced investors (67%) and recent investors (67%). For international shares, moderately experienced investors (41%) were more likely to report holding at least one type of this product compared to the most experienced investors (29%) and recent investors (28%).

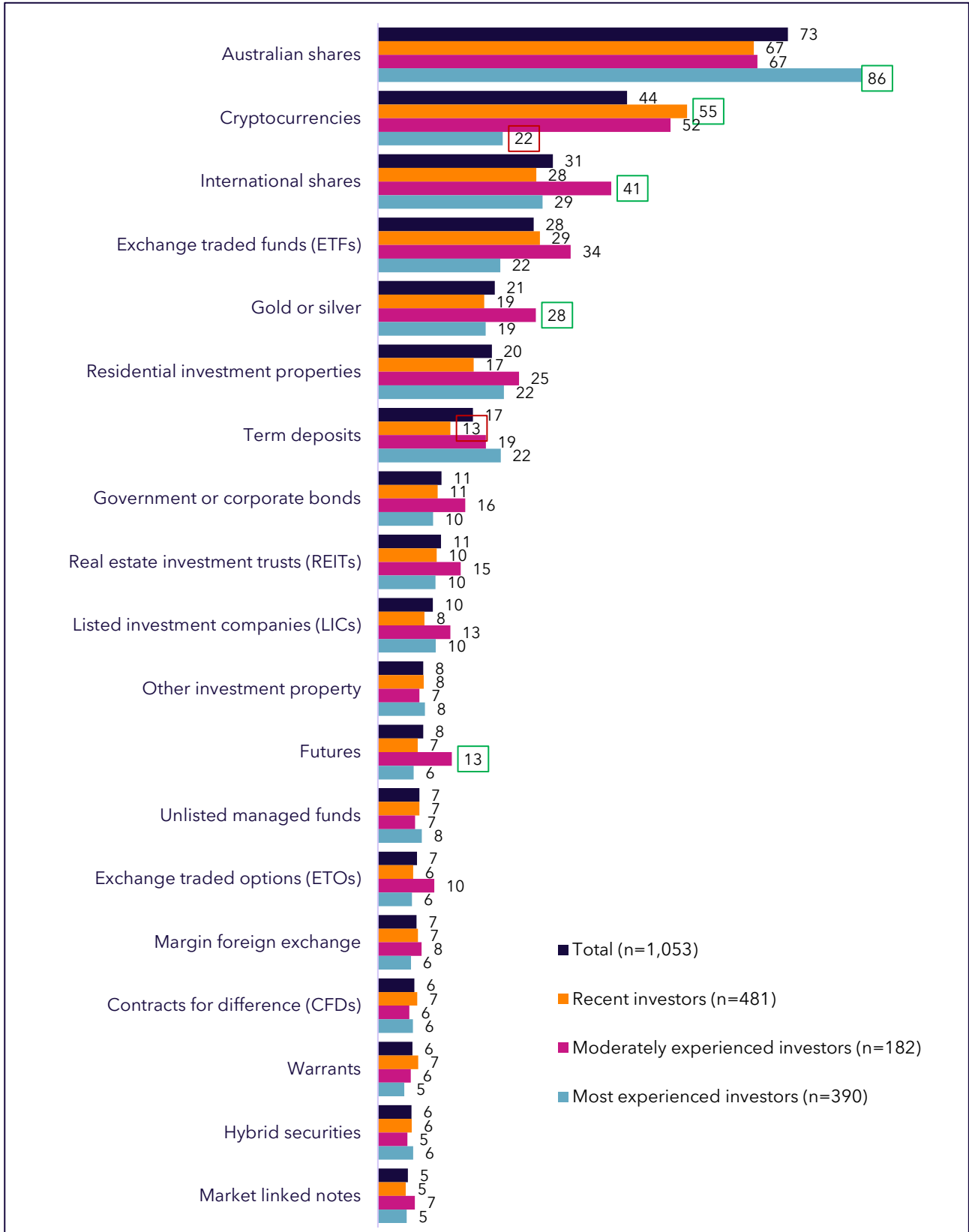
By contrast, recent investors were less likely to report holding at least one term deposit (13% vs. 22% of the most experienced investors).

By gender, male investors were more likely to report holding at least one of the following financial products or investments in their entire investment portfolio compared to female investors:

- cryptocurrencies (49% vs. 35% of female investors);
- international shares (35% vs. 24%);
- ETFs (33% vs. 19%);
- government or corporate bonds (13% vs. 8%);
- futures (10% vs. 5%);
- unlisted managed funds (9% vs. 4%);
- ETOs (8% vs. 4%);
- margin foreign exchange (8% vs. 4%);
- CFDs (8% vs. 3%);
- warrants (8% vs. 3%); and
- hybrid securities (8% vs. 3%).

By age, those who were 18–34 years old were more likely to report owning at least one cryptocurrency (58% vs. 46% of those aged 35–54 and 20% of those aged 55 and over), or at least one ETF (35% vs. 14% of those aged 55 and over). Those aged 55 and over were more likely to report owning at least one type of Australian share (81% vs. 64% of those aged 18–34).

Figure 1: Product types currently owned in portfolio, by years of investing experience segments (%)



Q11. How many of each of the following financial product types or investments do you currently own? Please provide your best estimate. (Single response per product) // Base: all participants (n=1,053). The proportion of investors that owned at least one of each product type is displayed.

Figure 2: Median number of products owned per product type, by years of investing experience segments



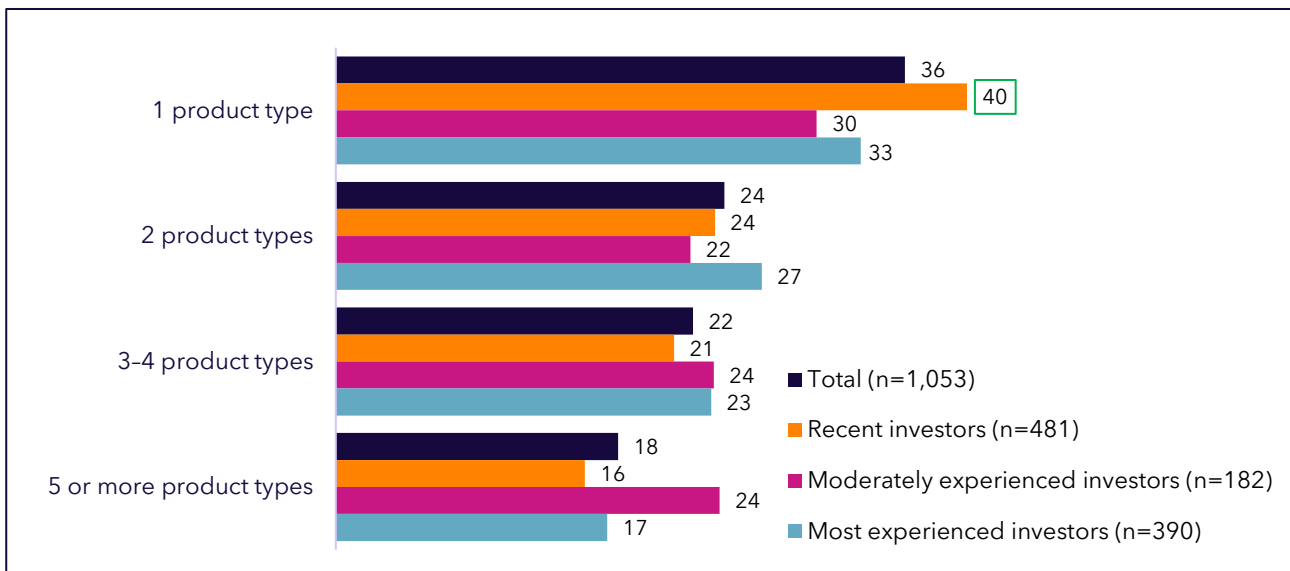
Q11. How many of each of the following financial product types or investments do you currently own? Please provide your best estimate. (Single response per product) // Base: owners of each product type or investment (shown in chart). Responses between 0 and 9,999 allowed. Values larger than 1,000 were removed from the calculation of the median for each product type.

1.2 Diversification within investment portfolios

There are a range of ways to measure diversification within an investment portfolio. This report covers only two basic indicators of diversification: the number of *product types* held, and the number of separate *products* within each product type.¹⁹ For example, an investor who indicated that they held investments in three different Australian shares and three different international shares would be taken as holding two *product types* and six *products* in their portfolio.

A majority of survey participants (82%) held fewer than five different product types overall. As shown in Figure 3, 36% of total investors held one product type only (e.g. Australian shares only), 24% held two different product types, 22% held three or four product types, and 18% held five or more product types.

Figure 3: Total number of product types held in portfolios, by years of investing experience segments (%)



Q11. How many of each of the following financial product types or investments do you currently own? Please provide your best estimate. (Single response per product) // Base: all participants (n=1,053).

Investors who held only one product type were more likely to be:

- female (43% held only one product type, compared to 31% of male investors); and
- recent investors (40% held only one product type, compared to 30% of moderately experienced investors and 33% of the most experienced investors).

Of those investors who held only one product type, the majority were invested in either Australian shares only (53%) or cryptocurrencies only (31%).²⁰ Overall, 35% of the *entire* sample of investors held Australian shares and/or cryptocurrencies only:

- 19% of total investors held Australian shares only;
- 11% of total investors held cryptocurrencies only;

¹⁹ A more comprehensive analysis of diversification would include looking at investments across a range of other dimensions, including asset classes, industries, time frames, and risk levels.

²⁰ Those who had traded in investment properties *only* in this period did not qualify to complete the survey. It was a condition of participation in the survey that participants had invested or traded (bought or sold) in securities, derivatives and/or cryptocurrency since March 2020.

- recent investors were especially likely to hold cryptocurrencies only (17%, compared to 2% of the most experienced investors); and
- 5% of total investors held both Australian shares *and* cryptocurrencies (and no other product types).

Of all the investors who held cryptocurrencies, 25% held cryptocurrencies only and 75% held cryptocurrencies in combination with other product types.

As Table 2 below shows, analysis of the total number of different *products* held by investors found that investors whose portfolio consisted of more product types tended to hold a larger total number of investment products overall. For example, investors who held just one product type had a median of three different products in their investment portfolio, while investors with five or more product types held a median of 19 different products.

Table 2: Analysis of the number of products and product types held by investors (median)

Number of product types held in investment portfolio	Total number of products in investment portfolio (median)	Number of products per product type (median)
Investors who held one product type only (n=395) An example investment portfolio that would fall under this category: 'Australian shares only'	3	3
Investors who held two product types (n=262) An example investment portfolio that would fall under this category: 'Australian shares and cryptocurrencies'	5	3
Investors who held three or four product types (n=223) An example investment portfolio that would fall under this category: 'Australian shares, cryptocurrencies, international shares and ETFs'	10	3
Investors who held five or more product types (n=153) An example investment portfolio that would fall under this category: 'Australian shares, cryptocurrencies, international shares, ETFs, hybrid securities, futures and term deposits'	19	2
Overall (n=1,053)	8	3

Q11. How many of each of the following financial product types or investments do you currently own? Please provide your best estimate. (Single response per product) // Base: investors who held one, two, three to four, or five or more product types (shown in table). Responses between 0 and 9,999 allowed. Values larger than 1,000 were removed from the calculation of the median for each product type.

1.3 Total investment portfolio value

Survey participants were asked to indicate the current value (in Australian dollars) of their total investment portfolio (this included any investment properties and SMSFs, but excluded their primary place of residence and standard superannuation). Overall, the reported value of investors' portfolios was mixed, with one in five investors (20%) holding up to \$5,000, around one in four reporting between \$5,000 and \$35,000 (24%), and similar proportions reporting between \$35,000 and \$200,000 (25%) or \$200,000 or more (27%). The overall median was between \$35,000 and \$49,999. See Figure 4.

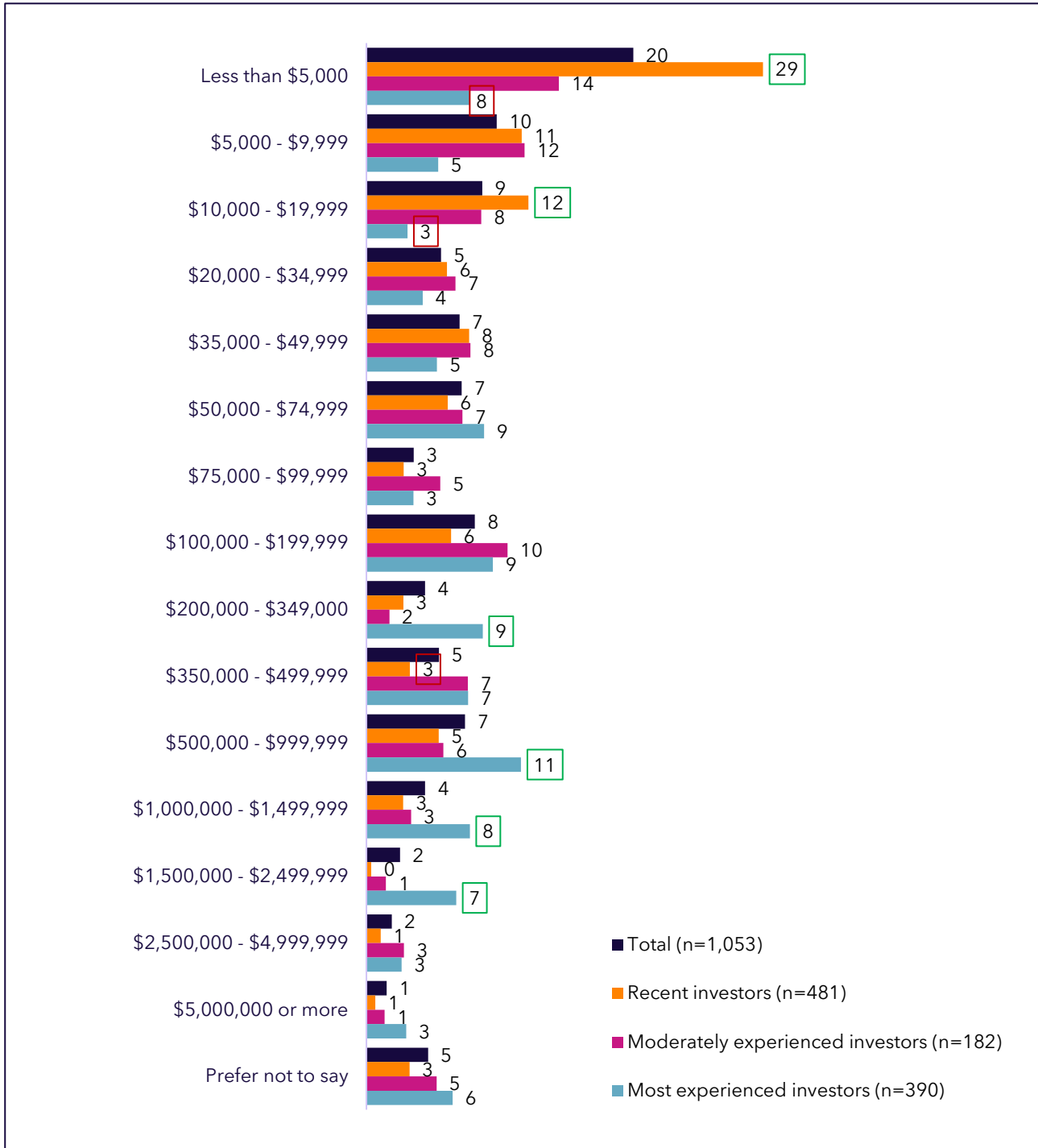
Total investment portfolio value varied by years of investing experience. Recent investors tended to hold lower valued portfolios, with 58% reporting they held less than \$35,000, compared to just 20% of the most experienced investors. The proportion who reported a portfolio value over \$200,000 (27% in total) was three times higher among the most

experienced investors than recent investors (47% vs. 16% respectively). This was further demonstrated by looking at the median value of investors' portfolios:

- recent investors had a median value between \$10,000 and \$19,999 in their investment portfolio;
- moderately experienced investors had a median value between \$35,000 and \$49,999; and
- the most experienced investors had a median value between \$200,000 and \$349,000.

The most experienced investors were also more likely to be older (68% were aged 55 and over) and were more likely to have investment properties and SMSFs (both included in this question) and, therefore, larger portfolios.

Figure 4: Total investment portfolio value, by years of investing experience segments (%)



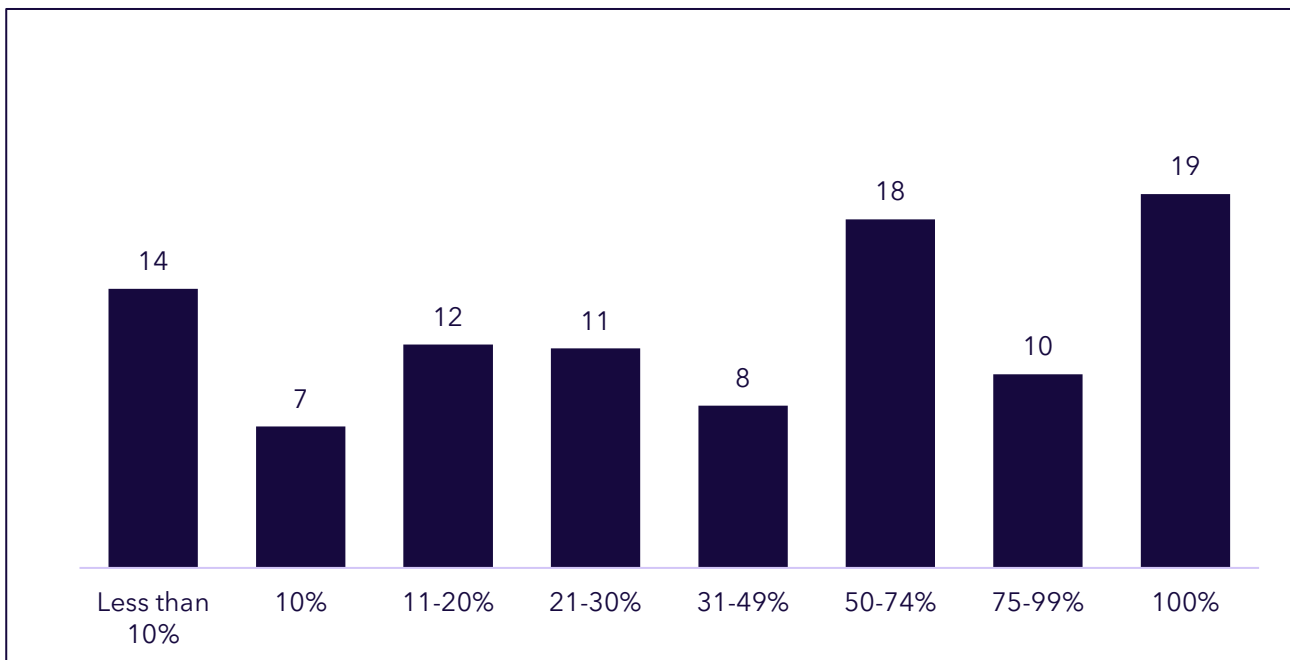
Q12. What is your investment portfolio worth in Australian dollars, in total across all of the products listed below? [For people that do not have an SMSF] Please note this includes investment properties but excludes your home (primary place of residence) and your superannuation. [For people that have an SMSF] Please note this includes investment properties and your self-managed super fund (SMSF) but excludes your home (primary place of residence) and any super outside of your SMSF. Your best estimate is fine. [Participants were shown a list of investment products, filtered to just the ones they had indicated they currently owned] // Base: all participants (n=1,053).

Survey participants were asked to estimate (using a percentage figure) how much their current investment portfolio made up of their current total wealth (including primary residence, any investment properties, and all forms of savings, investments and superannuation). A wide range of estimates were provided by investors. Overall, the average investment portfolio was estimated to make up around 48% of investors' total wealth.

As shown in Figure 5, one in five investors (19%) reported their investment portfolio represented 100% of their total wealth (including all properties and all forms of savings and superannuation) and this was higher among recent investors (24%, compared to just 13% among the most experienced investors). A further three in ten investors (28%) reported their investment portfolio made up 50%-99% of their total wealth. Overall, nearly one in two investors (47%) estimated that their portfolios made up 50% or more of their total wealth.

About one-third of all investors (32%) reported that their investments comprised only up to 20% of their total wealth.

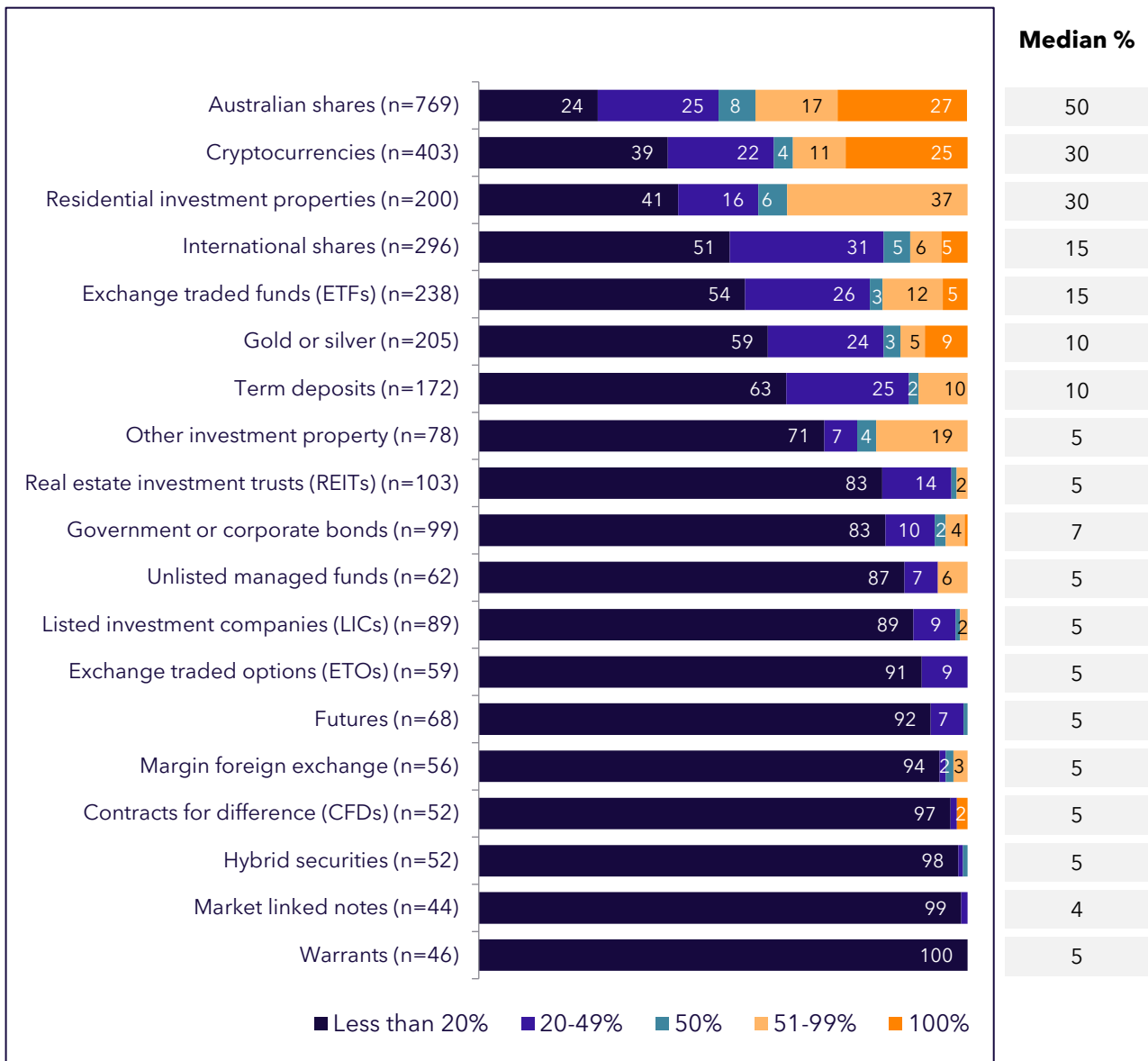
Figure 5: Total investment portfolio as a proportion of total wealth (%)



Q13a. Please consider now your total wealth (i.e. including your primary residence and any investment properties, and all forms of savings, investments and superannuation). Approximately what percentage do your investments in the following financial products make up of your total wealth? Your best estimate is fine. [Participants were shown a list of investment products, filtered to just the ones they had indicated they currently owned] // Base: all participants (n=1,053).

Survey participants were asked to consider the dollar value of the different products they owned and estimate the percentage that each product represented in their total investment portfolio. Figure 6 shows that Australian shares, cryptocurrencies, and residential investment properties were the most dominant within individual investment portfolios. For example, of those who reported owning Australian shares, 51% estimated that Australian shares made up at least half of their portfolio value. Similar results were recorded for cryptocurrency and residential investment property, with 40% and 43% of owners (respectively) indicating that these products made up at least half of their portfolio value. Other products, including international shares, ETFs, and gold or silver, tended to make up a smaller portion of individual investment portfolios.

Figure 6: Value of products owned as a proportion of total investment portfolio (%)



Q13. Thinking about the dollar value of the different products you own, what is the approximate percentage that each product represents in your total portfolio? Your best estimate is fine. // Base: owners of each product (shown in chart). For clarity of charts, data labels of 1% or less are not shown.

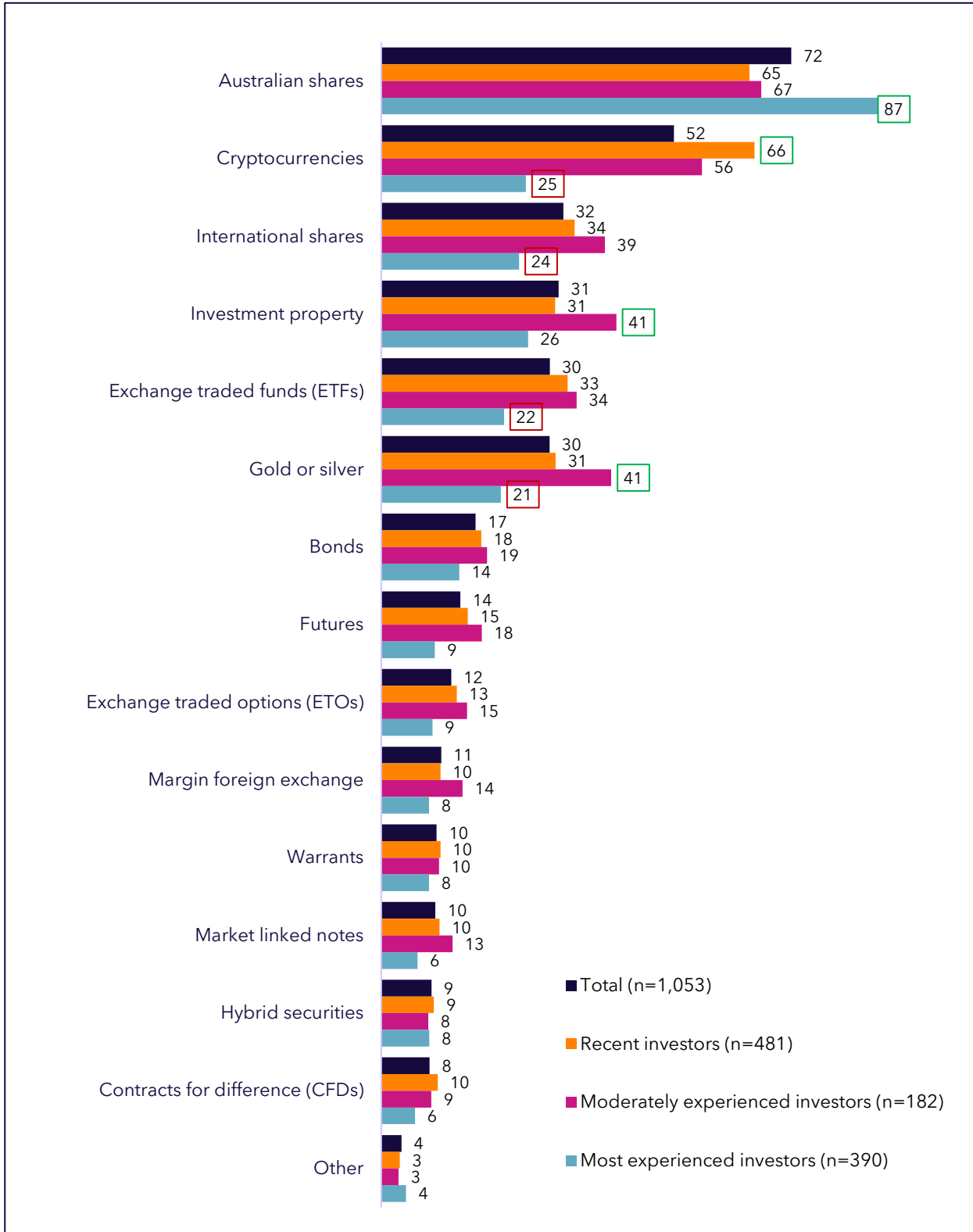
1.4 Products invested or traded and frequency of trades since March 2020

Survey participants were asked which financial products they had invested or traded in (bought or sold) since March 2020. The pattern of reported products invested or traded since the onset of the pandemic was in keeping with reported products and investments currently owned (see section 1.1 'Investment portfolio overview'). Overall, the products that had been invested or traded by the most investors since March 2020 were Australian shares (72%), followed by cryptocurrencies (52%), international shares (32%), investment properties (31%), ETFs (30%), and gold or silver (30%). See Figure 7.

The differences by years of investing experience were also in keeping with reported products and investments owned, with the following trends noted:

- **the most experienced investors** were more likely to have traded in Australian shares (87%, compared to 65% of recent investors and 67% of moderately experienced investors);
- **moderately experienced investors** were more likely to have bought or sold an investment property (41% vs. 31% of recent investors and 26% of the most experienced investors) or gold or silver (41% vs. 31% of recent investors and 21% of the most experienced investors); and
- **recent investors** were more likely to have traded in cryptocurrencies (66%, compared to 56% of moderately experienced investors and 25% of the most experienced investors).

Figure 7: Products invested or traded since March 2020, by years of investing experience (%)



Q6. Have you personally invested or traded (bought or sold) in any of the following since March 2020? (Multiple response) // Base: all participants (n=1,053).

1.5 The frequency of checking, buying or selling investments held since March 2020

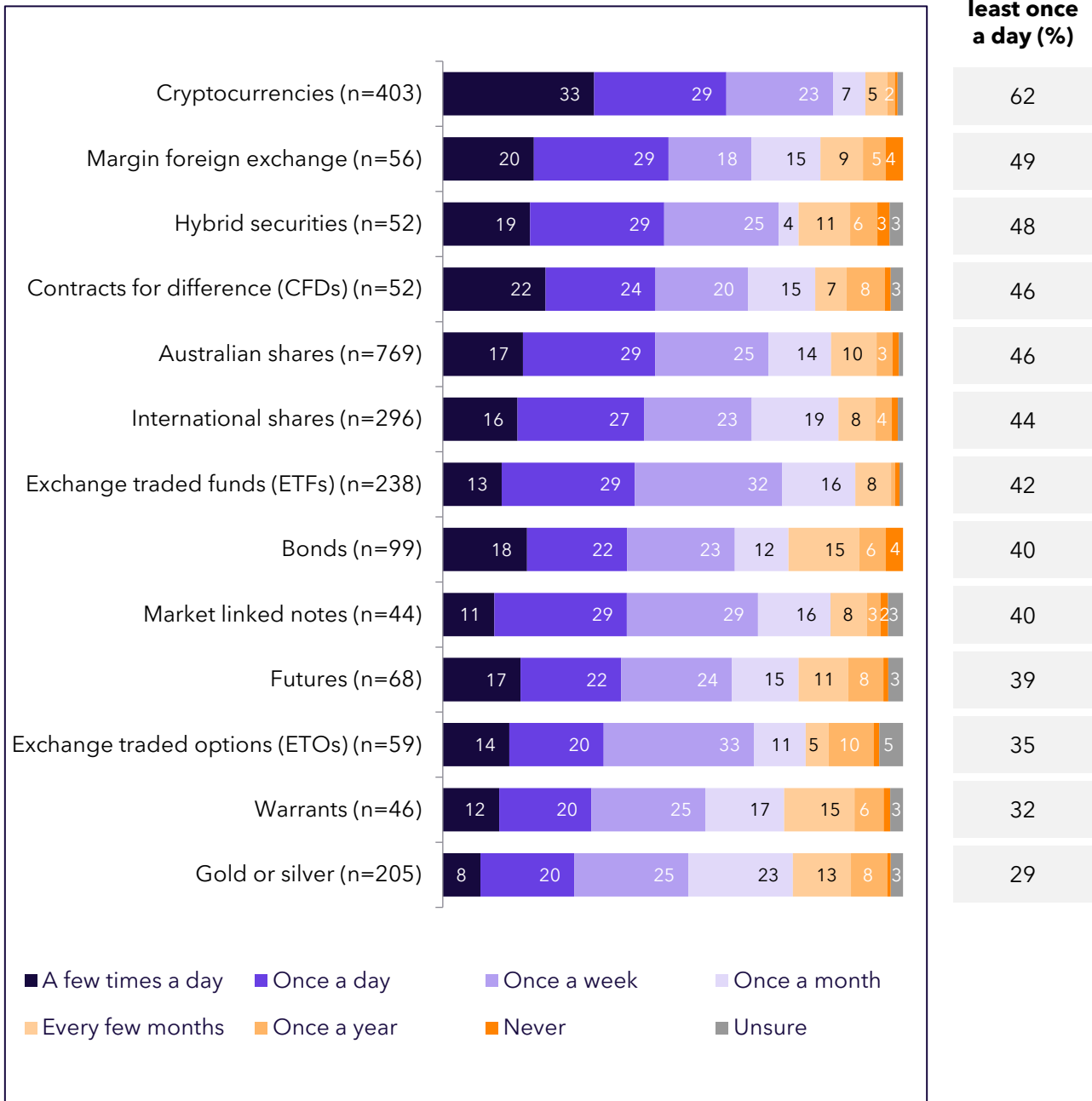
Survey participants were asked to indicate how often they checked up on their investments in each product type they owned. Among the owners of each product, at least half of investors reported checking up on their investment once a week or more, with cryptocurrency being the product type investors checked with the highest frequency. Three in five of all investors holding cryptocurrency (62%) said they usually checked their holdings at least daily and 23% checked them once a week, which was notably higher than all other product types. Most other products were commonly checked daily or weekly. See Figure 8. There were no notable differences in the frequency of checking investments by period of time investing.

Of note is that investments were reportedly being *checked* far more often than they were actually being *bought* or *sold*. For example, since March 2020, 18% of those investors who had traded cryptocurrency reported they bought it daily and 9% said they sold it daily (which was well below the 62% of cryptocurrency owners who said they checked it daily). Over one-quarter (28%) reported that they had 'never' sold the product since March 2020.

Focus group participants were recruited if they checked their portfolio at least once every quarter, with half checking monthly.²¹ Some checked more frequently - for example, one investor described his daily routine of "...keeping my eye on the clock for opening hours of trade to see how my portfolio has shifted today" (male, recent investor), while another stated that she was "...very anxious about my stock so I check every day to see whether it's going up or down" (female, recent investor).

²¹ There was no such condition on the recruitment for the quantitative survey.

Figure 8: Frequency of checking up on investment products (%)



Q14. How often would you usually check up on your investments for the following products? (Single response per product held) // Base: Owners of each product (as shown in chart). 'Net: at least once a day' is the net of 'a few times a day' and 'once a day'. For clarity of charts, data labels of 1% or less are not shown.

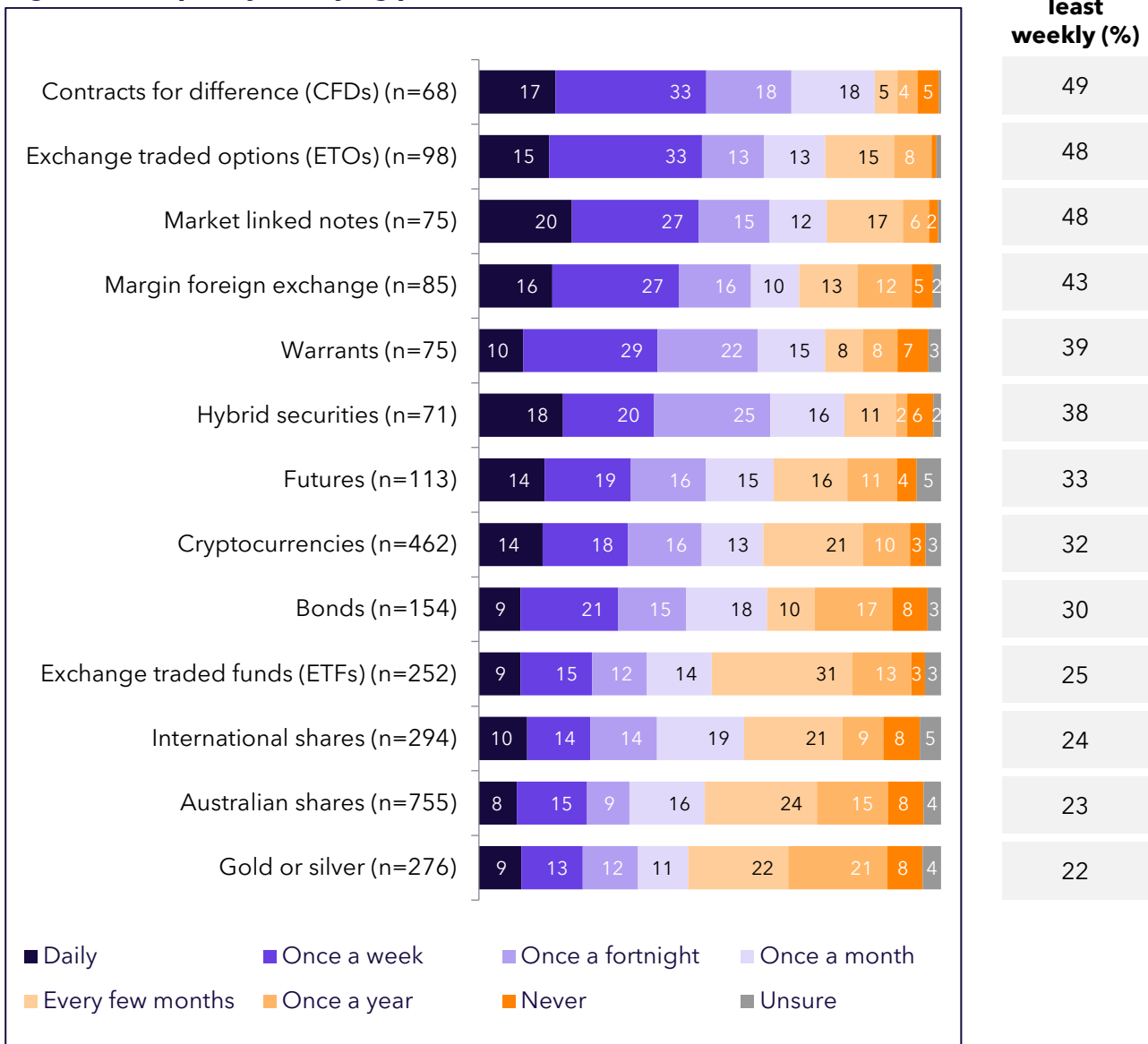
Among those who had traded each product type since March 2020, between 22% and 49% of investors reported *buying* that product at least weekly (net of 'daily' and 'once a week'). The most common products reported to be *bought* at least weekly (net of 'daily' and 'once a week') included CFDs (49%), ETOs (48%), market linked notes (48%) and margin foreign exchange (43%). Around one in three investors who had traded cryptocurrency (32%) reported that they purchased this product at least weekly since March 2020. Australian shares were bought less frequently than other product types, with less than a quarter of those who had traded Australian shares (23%) reporting purchase of this product at least weekly. See Figure 9.

Recent investors were more likely to report buying Australian shares daily or once a week (33%) compared to the most experienced investors (13%). Analysis of other key segments in the survey revealed that male investors were more likely to report buying Australian shares (28% vs.

13% of female investors) or international shares (28% vs. 14%) on a daily or weekly basis. By age group, those aged under 55 were more likely to report buying financial products on a daily or weekly basis compared to those aged 55 and over. This was evident for:

- cryptocurrencies (34% of those aged under 55 said they bought these daily or once a week vs. 16% of those aged 55 and over);
- bonds (33% vs. 7%);
- international shares (27% vs. 8%);
- Australian shares (29% vs. 6%); and
- gold or silver (25% vs. 4%).

Figure 9: Frequency of buying products since March 2020 (%)



Q15. Since March 2020, roughly how often did you personally buy products in each of the following categories? (Single response per product held) // Base: Those who had traded (bought or sold) each product type since March 2020 (shown in chart). 'Net: at least weekly' is the net of 'daily' and 'once a week'. For clarity of charts, data labels of 1% or less are not shown.

Among those who had traded each product type since March 2020, between 17% and 47% of investors reported *selling* that product at least weekly (net of 'daily' and 'once a week'). The most

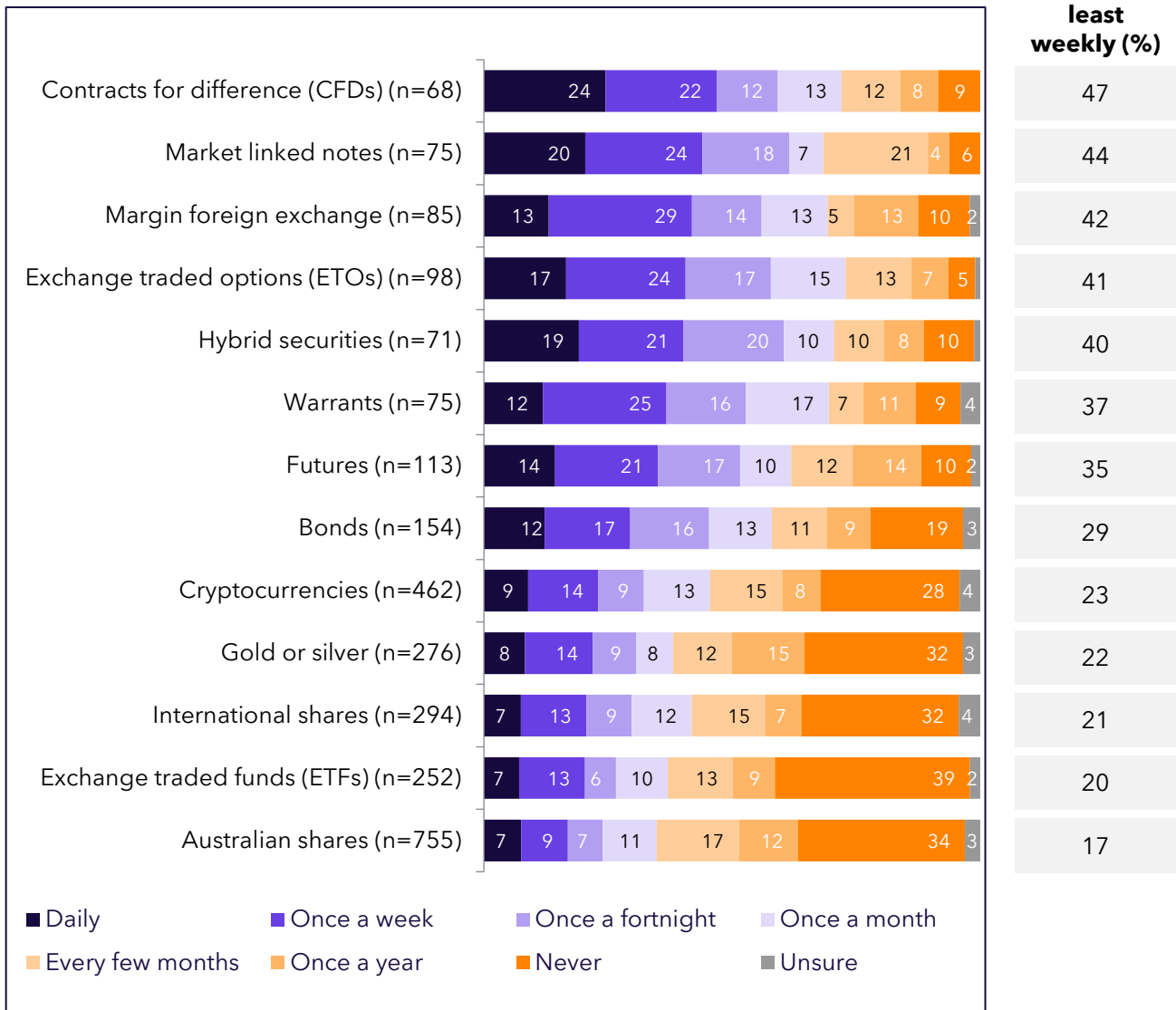
common products reported to be *sold* at least weekly (net of 'daily' and 'once a week') since March 2020 were CFDs (47%), market linked notes (44%), margin foreign exchange (42%) and ETOs (41%). Some products were more likely to be held since March 2020, including ETFs (39% never sold), Australian shares (34% never sold) and international shares (32% never sold). Among those who had traded cryptocurrency, 23% reported selling it at least weekly, while 28% reported 'never' selling it since March 2020. See Figure 10.

There were no notable differences in the frequency of selling investments by period of time investing. Analysis of other key segments in the survey revealed that male investors were *selling* some products more frequently than female investors. For example, 36% of male investors who had traded bonds said they sold these at least weekly compared to 14% of female investors. The pattern was similar for cryptocurrencies (26% of male investors sold these at least weekly vs. 14% of female investors), international shares (24% vs. 11%) and Australian shares (22% vs. 7%).

In addition, those aged 55 and over were less likely to sell their financial products on a daily or weekly basis than other investors. For example, just 3% of investors aged 55 and over who had traded Australian shares said they had sold these at least weekly compared to 22% of those aged under 55. Those aged 55 and over were also less likely to sell the following products on a daily or weekly basis compared to those aged under 55:

- bonds (7% vs. 32%);
- cryptocurrencies (9% vs. 24%);
- gold or silver (4% vs. 25%);
- international shares (2% vs. 24%); and
- ETFs (4% vs. 22%).

Figure 10: Frequency of selling products since March 2020 (%)



Q16. And since March 2020 roughly how often have you personally sold any of the following types of financial products? (Single response per product held) // Base: Those who had traded (bought or sold) each product type since March 2020 (shown in chart). 'Net: at least weekly' is the net of 'daily' and 'once a week'. For clarity of charts, data labels of 1% or less are not shown.

Overall, when comparing whether products had reportedly been *bought* or *sold* (at all) since March 2020, cryptocurrencies, Australian shares, international shares, and gold or silver were reportedly being bought more often than they were being sold. Around nine in ten investors who had traded these product types since March 2020 said they had *bought* them, while around two-thirds reported *selling* any of these types of products in that time. By contrast, ETFs were *bought* and *sold* at a similar rate (94% bought this product, 94% sold this product since March 2020). See Table 3.

Table 3: Product types bought versus product types sold since March 2020, among those who had traded each product type (%)

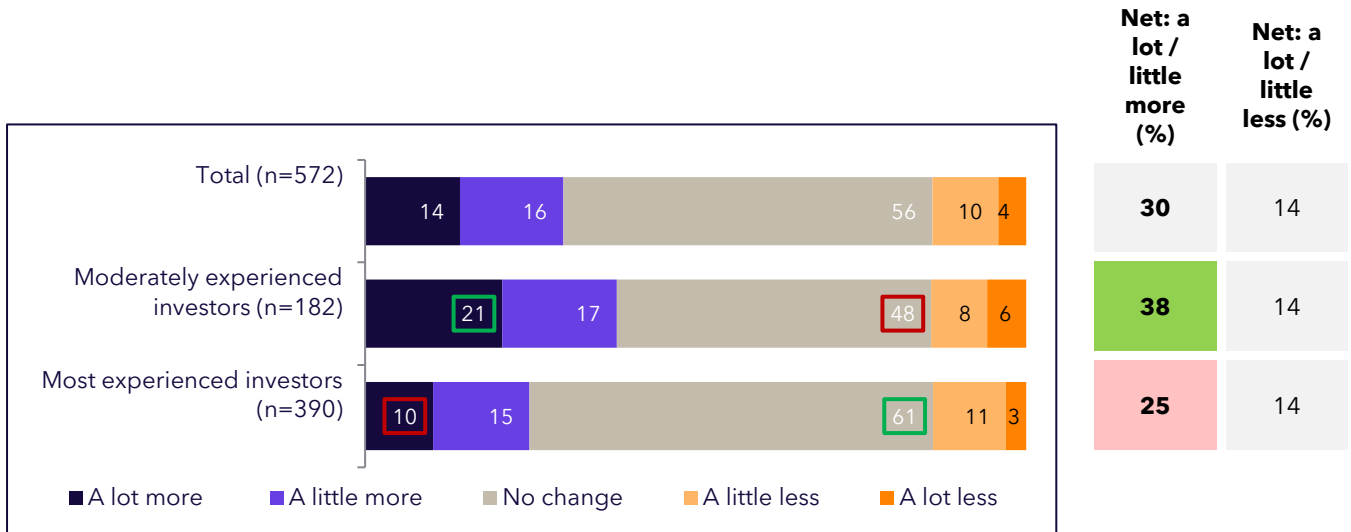
Financial products	n=	Bought since March 2020 (%)	Sold since March 2020 (%)	Net Difference (%)
Cryptocurrencies	462	93	68	26
Australian shares	755	89	63	25
International shares	294	88	64	24
Gold or silver	276	88	65	24
Bonds	154	89	78	12
Margin foreign exchange	85	94	87	6
ETOs	98	98	94	4
Market linked notes	75	97	94	4
Warrants	75	91	87	4
Hybrid securities	71	93	89	4
CFDs	68	95	91	3
Futures	113	91	88	2
ETFs	252	94	94	0

Q15. Since March 2020, roughly how often did you personally buy products in each of the following categories? (Single response per product held) / Q16. And since March 2020 roughly how often have you personally sold any of the following types of financial products? (Single response per product held) // Base: Those who had traded (bought or sold) each product type since March 2020 (shown in table). Figures indicate the proportion of investors that had bought or sold each product type once per year or more often since March 2020.

Survey participants were asked whether they believed they were trading more or less than before COVID-19. This question was only asked of moderately experienced investors and the most experienced investors. As shown in Figure 11, just over half of all experienced investors (i.e. both moderately and the most experienced investors) (56%) said that COVID-19 had ‘no impact’ on their trading frequency. However, one-third of all experienced investors (30%) reported that they were trading *more* (net of ‘a lot more’ and ‘a little more’) than before COVID-19, and 14% believed they were trading *less* (net of ‘a lot less’ and ‘a little less’) than before COVID-19.

By years of investing experience, moderately experienced investors were more likely to believe they were trading *more* (net of ‘a lot more’ and ‘a little more’) than before COVID-19, compared to the most experienced investors (38% vs. 25%). Male experienced investors were also more likely to say they were trading ‘a lot more’ than before COVID-19 (18% vs. 7% of female experienced investors).

Figure 11: The impact of COVID-19 on trading frequency (%)

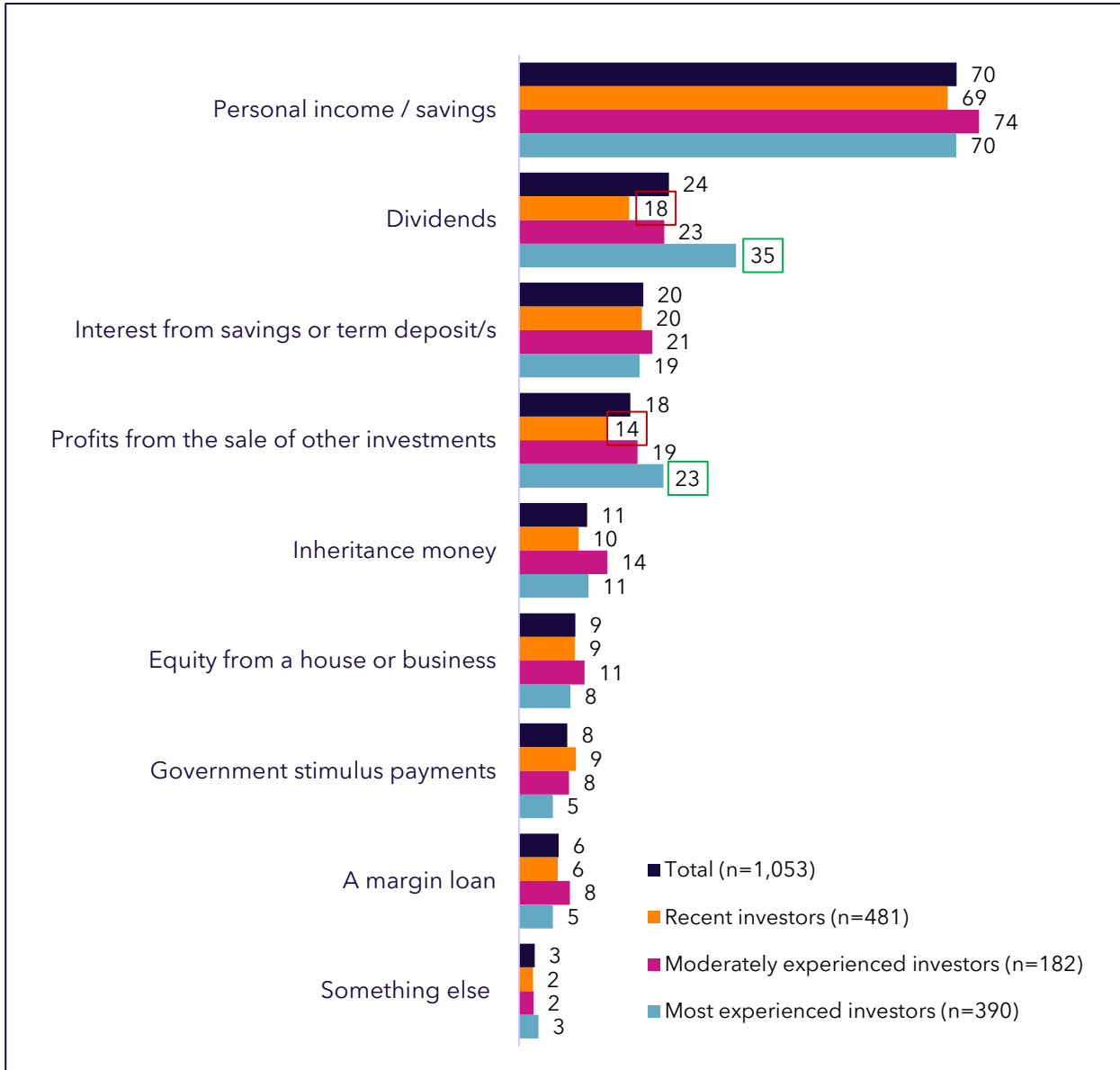


Q17. Are you trading more or less than before COVID-19? (Single response) // Base: Moderately experienced investors (n=182) and the most experienced investors (n=390). 'Net: a lot / little more' is the net of 'a lot more' and 'a little more'. 'Net: a lot / little less' is the net of 'a lot less' and 'a little less'.

1.6 Funding of investments since March 2020

Overall, many survey participants (70%) reported using their personal income or savings to fund their investments since March 2020. A smaller proportion reported they had used their dividends (24%), interest from savings or term deposit/s (20%), or profits from the sale of other investments (18%) to fund their investments. Those more likely to use dividends to fund their investments included the most experienced investors (35% vs. 18% of recent investors and 23% of moderately experienced investors), homeowners (34%), retirees (44%), and male investors (27% vs. 18% of female investors). Among those more likely to use profits from the sale of other investments included the most experienced investors (23% vs. 14% of recent investors), and male investors (22% vs. 11% of female investors).

Figure 12: Funding of investments since March 2020, by years of investing experience segments (%)



Q21. Since March 2020, which of the following have you used to fund your investments? (Multiple response) // Base: all participants (n=1,053).

2. Motivations and feelings towards investing

A number of unavoidable research constraints and limitations apply to questions about motivations and feelings towards investing – for example, the unconscious influence of natural behavioural biases, such as social desirability bias, loss aversion, availability bias, present bias, and overconfidence and/or overoptimism.²²

2.1 Factors influencing the decision to start investing

Survey participants were provided a list of 24 potential factors²³ and asked to select the factors that had influenced their decision to start investing. Overall, there were multiple factors influencing investors' decision to start investing, with an average of almost three (2.6) factors selected. The most commonly selected influences (as shown in Figure 13) were family or friends (27%), wanting to generate another income stream (26%), and wanting financial independence (23%). Other influences were not wanting to miss out on an opportunity (15%), wanting to make 'quick money' (15%) and 'for fun / entertainment' (14%). When asked to select the factor that had the *biggest* influence, the pattern of factors was similar.

Overall, there were few significant differences by years of investing experience, gender or age, with the most commonly selected factors holding true for all key groups (i.e. family or friends, wanting to generate another income stream, and wanting financial independence).

There were some noteworthy differences in some of the less common factors by age, including:

- those aged 55 and over were more likely to select 'I didn't want to rely on superannuation / pension for retirement' (16%) compared to those aged 18-34 (8%) or 35-54 (11%);
- those aged 18-34 (16%) and 35-54 (17%) were more likely to select 'I wanted to make some quick money' than those aged 55 and over (9%);
- those aged 18-34 were more likely to select 'Because house prices have become unaffordable' (10%) than those aged 55 and over (2%); and
- those aged 18-34 were more likely to select 'A podcast I had heard' (8%) than those aged 55 and over (0%).

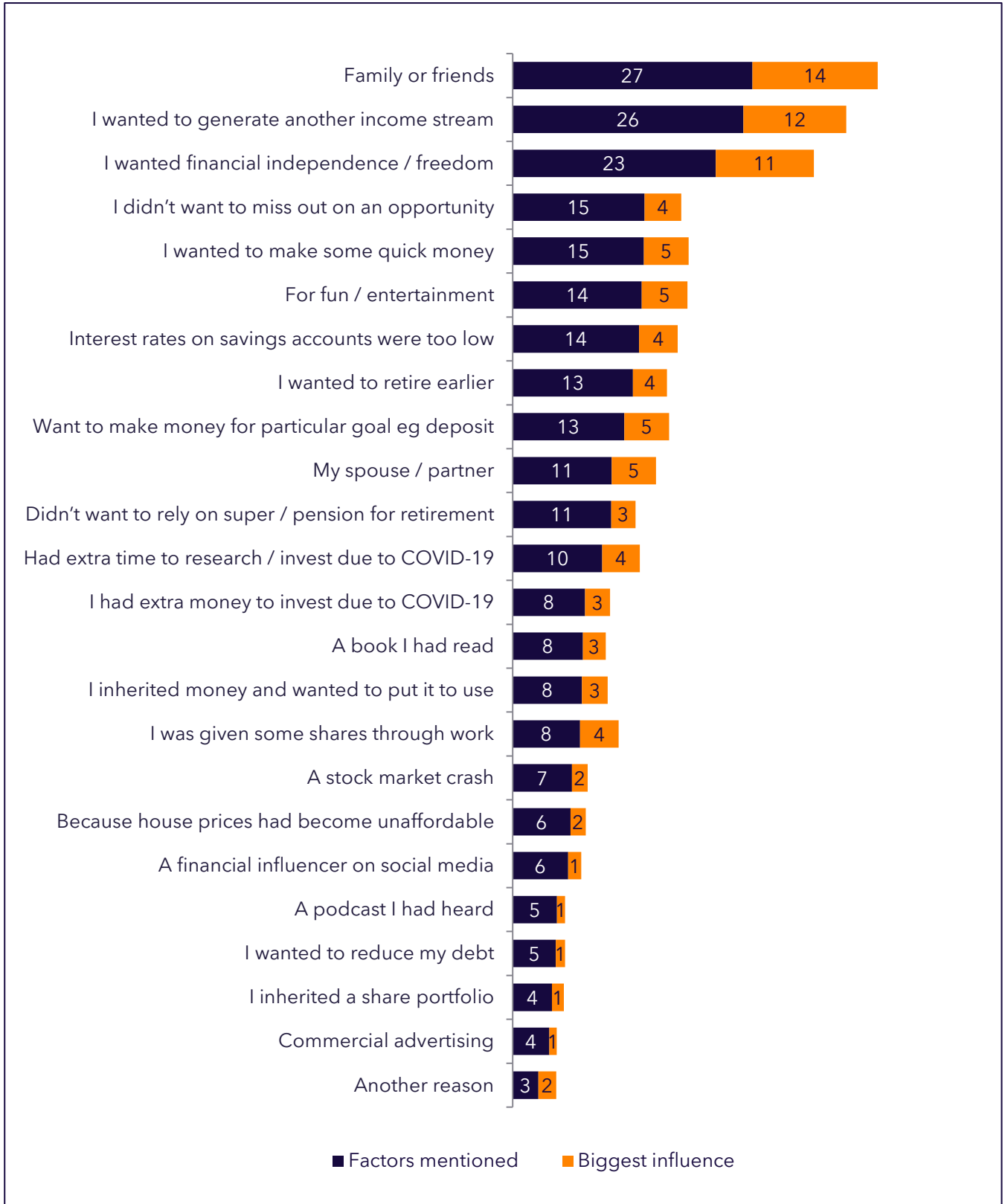
Recent investors were also more likely to indicate that they wanted to make some quick money (16% vs. 9% of the most experienced investors) or that they did it for fun / entertainment (17% vs. 11% among the most experienced investors). Some recent investors also indicated that COVID-19 was a factor influencing their decision to start investing, either because they had extra time to research and invest due to COVID-19 (13%) or because they had extra money to invest due to COVID-19 (11%).²⁴

²² Refer to 'Research constraints' in Appendix 2.

²³ The list of factors for survey question 9 (*Thinking back to when you first started investing, which of the following influenced your decision to start investing?*) and survey question 10 (*And which of the following had the biggest influence on your decision to start investing?*) was informed by findings from the focus groups.

²⁴ While some of the moderately experienced investors and the most experienced investors indicated COVID-19 had an influence on their decision to start investing, it likely reflects errors by survey participants in answering this question. These years of investing segments started investing before March 2020.

Figure 13: Factors influencing the decision to start investing - overall and biggest influence (%)



Q9. Thinking back to when you first started investing, which of the following influenced your decision to start investing? (List order was randomised) (Multiple response) / Q10. And which of the following had the biggest influence on your decision to start investing? (List order was randomised) (Single response) // Base: all participants (n=1,053).

The factors also reflected those raised in the qualitative research:

"I started investing 25 years ago. I sort of got into it through my dad. He had a lot of stock broking friends and they've had shares their whole life. So it was one share that he just said, you might want to put a bit of money into this and it went quite well so kind of started the trend." (female, most experienced investor)

"I liked the idea of the shares, especially with the dividends and they provide options for me in terms of that income, but mum and dad definitely did. Especially in terms of the first couple of [trades] they were saying 'you should invest in this'. Some of their advice was good. But it was enough to whet the appetite and raise my curiosity as to why did this one not work out and all my analytical nature started to come in." (female, most experienced investor)

"I got into investing earlier this year when my partner put me on to a podcast actually [REDACTED] [REDACTED], and then I just kind of spiralled from there." (female, recent investor)

"I also got into it for the same reason, kind of just wanted financial freedom. I remember looking at my bank account and thinking wow this has not gone anywhere like I get 20 cents a year or 20 cents a month. And all my family and friends and my boyfriend as well were all telling me to invest. My boyfriend's obsessed with investing and he is so knowledgeable about it, and he offered a lot of help to me and yeah I just kind of went headfirst into it." (female, recent investor)

"My dad had a lot of big shares so as soon as I was old enough to go to work he was telling me to start up some gradual investments." (male, most experienced investor)

"When I was early 20s and started working a guy in the office said 'oh, you should buy some of these mining type shares' and I put a whole lot of money into it - well it was a lot in those days." (male, most experienced investor)

"I think I started it would have been just after the crash at the start of the pandemic." (male, recent investor)

"I actually got a tip from a friend of mine. I don't know how great the advice actually was but I knew at the time that I wanted to get into it, so I guess I just needed something to push me to get there in the first place." (male, recent investor)

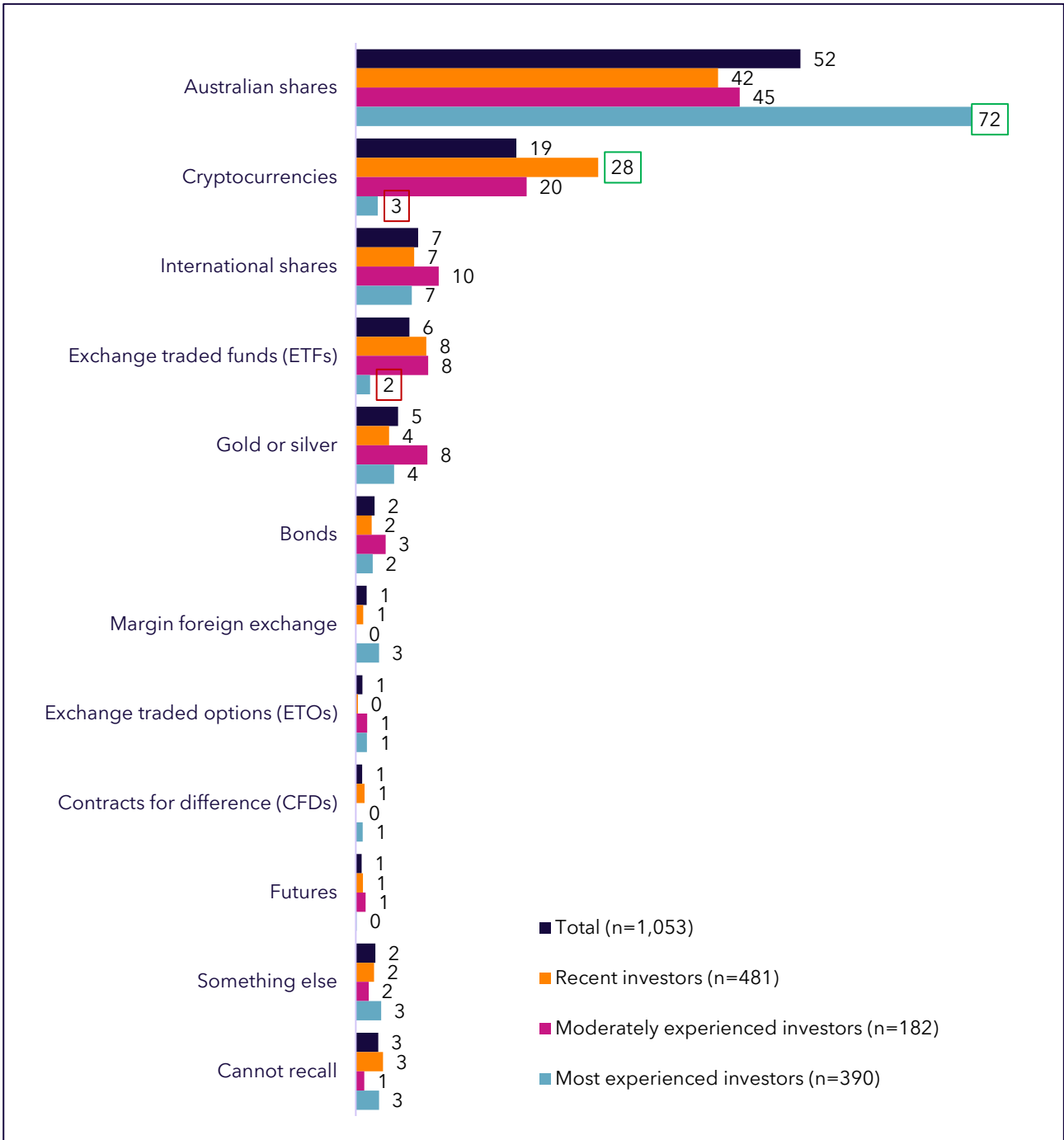
2.2 Product types investors purchased when they began investing

Survey participants were asked to select from a list of financial products which products they first started investing in. Overall, Australian shares (52%) were the most selected product, particularly for the most experienced investors (72%). The second most highly chosen product as a first investment was cryptocurrencies (19%), reflecting the more recent interest in this product. Recent investors and moderately experienced investors were more likely to say that cryptocurrencies were their first investment (28% and 20% respectively, vs. just 3% of the most experienced investors).²⁵ See Figure 14. Those aged 18-34 were more likely to say cryptocurrencies were their first investment (30% vs. 18% for those aged 35-54, and 3% for those aged 55 and over). Male investors (19%) and female investors (18%) were equally likely to select cryptocurrencies as their first investment.

These findings were consistent with the focus groups, where many of the most experienced investors (who had been investing for five years or more) cited Australian shares as their first investment, whereas some recent investors referred to cryptocurrency as their first investment.

²⁵ Cryptocurrency was not a common and/or available investment for the most experienced investors who had been investing for five years or more.

Figure 14: Financial product types investors purchased when they began investing, by years of investing experience segments (%)



Q8. Thinking back to your first ever investment in a financial product, which product type was it? (Single response) // Base: all participants (n=1,053). 'Something else' includes those that selected: market linked notes, hybrid securities, warrants or something else.

2.3 How investors feel about investing

Participants in the qualitative online forum were asked to upload some images that captured how they felt about investing and trading and were also asked to describe why they chose those particular images.

Many investors, regardless of years of investing experience and gender, described a range of aspects to investing in the near and longer term, including their feelings when investing and their feelings about making and reaching investment goals:

"A lot like a roller coaster; plenty of twists and turns, ups and downs." (male, recent investor)

"A bamboo plant requires a lot of attention at the beginning. It might take weeks or months of care and you won't see it grow much. But then, all of a sudden, it shoots up to an enormous size. It's a metaphor for compounding and investing - play the long game." (male, recent investor)

"Slow and steady with the aim to increase wealth over time." (female, most experienced investor)

"I feel excited for the future." (female, recent investor)

Some investors provided vivid narratives of experiencing market highs: "when the market is going well this is how you feel; on top of the world literally" (male, most experienced investor), while also going on a steady "onwards and upwards" (female, most experienced investor) journey that ultimately takes them closer to reaching their financial goals.

Others spoke about 'control of the future', and 'financial freedom': "it's going to take quite a while but it's nice to know that I have a little more control over my life situation" (female, recent investor).

Some investors expressed feeling nervous or anxious when investing, and some of the more recent investors expressed feelings of uncertainty about their investment choices and wanting to make the most of current opportunities.

"Stressed and afraid of losing money, but also don't want to play too safe." (female, recent investor)

"If investing is like mountain climbing, then there will be obstacles to overcome which can be terrifying. The brochures said this river would only be knee deep, but it was over my head and I couldn't swim. It was very tempting to turn back, but I had hiked for three days (downhill) to this point so I decided that risking my life was preferable to going back. Needless to say, it all worked out in the end." (male, most experienced investor)

In order to quantify how investors feel about investing, survey participants were asked to select which words best described the feelings they had when investing (including selling, buying and researching investment options), using a list of 22 emotions.²⁶ The randomised list consisted of positive, negative and neutral emotions and investors could select any that have applied to them when investing. Overall, investors reported feeling a range of emotions when investing, often positive, such as 'hopeful' (38%), 'motivated' (29%), and 'excited' (28%). Only a single negative emotion made the top ten: 'anxious', which 17% reported feeling. See Figure 15.

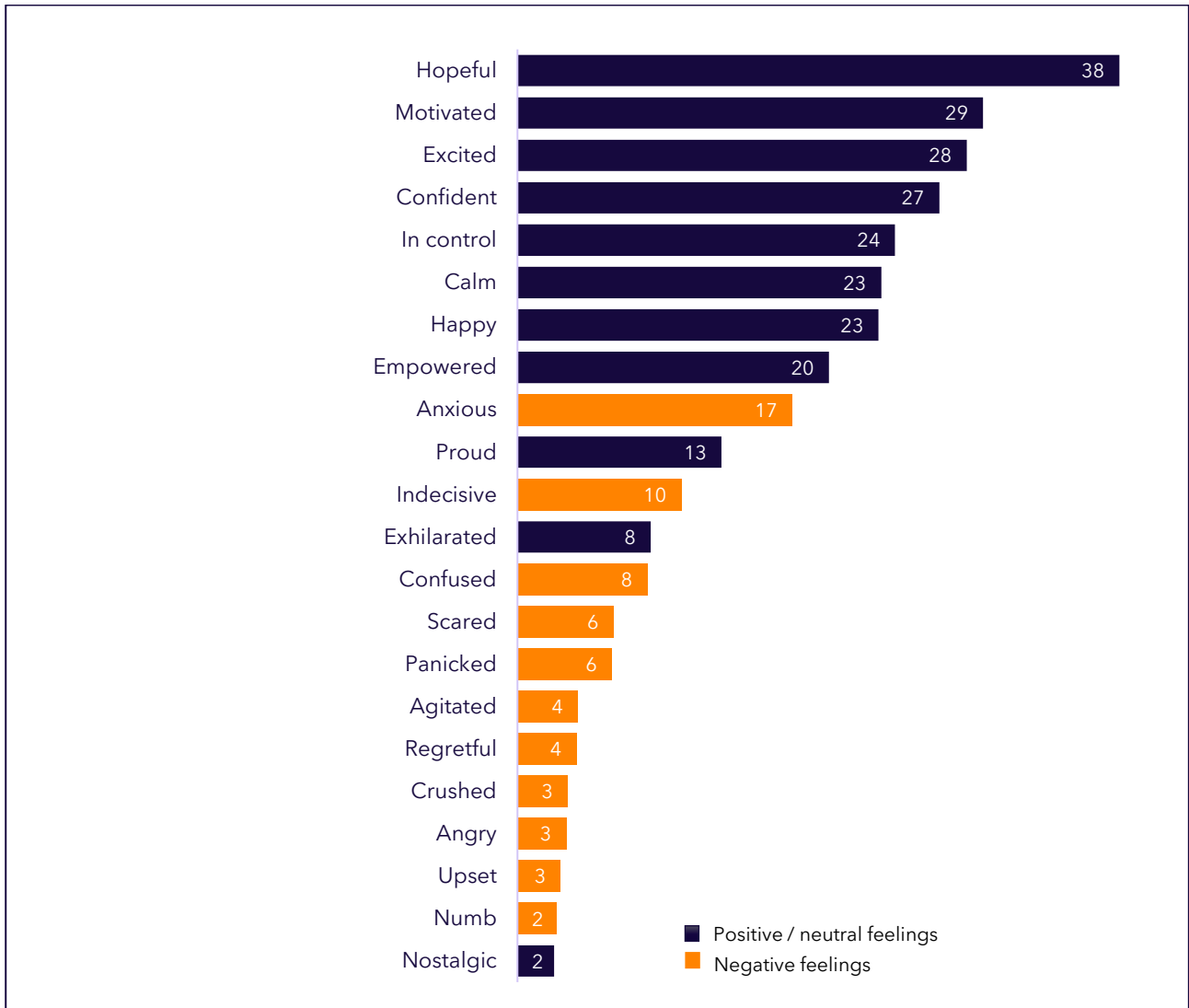
Among years of investing experience segments, the most experienced investors were more likely than recent investors to select the words 'in control' (30% vs. 22%) and 'calm' (31% vs. 18%) to describe their feelings when investing.

²⁶ The list of factors for survey question 19 (Which of these words describe the feelings you have when you're investing, including selling, buying, and researching investment options?) was informed by findings from the focus groups.

Reported feelings toward investing were mixed among recent investors, who were more likely to choose words such as 'excited' (32% vs. 22% for the most experienced investors) but also 'indecisive' (14% vs. 6%) or 'confused' (11% vs. 5%).

There were also some notable differences between male and female investors. In particular, male investors were more likely to report they felt 'confident' (30% vs. 21% of female investors), 'calm' (26% vs. 17%) or 'happy' (25% vs. 18%) when investing; whereas female investors were more likely to report feeling 'confused' (12% vs. 6% of male investors) when investing.²⁷

Figure 15: Feelings experienced when investing (%)



Q19. Which of these words describe the feelings you have when you're investing, including selling, buying, and researching investment options? (Multiple response) // Base: all participants (n=1,053). The dark blue bars in the chart represent the positive or neutral feelings, while the orange bars represent negative feelings.

²⁷ For behavioural studies and findings indicating overconfidence being gendered, refer to: BM Barber & T Odean, 'Boys will be boys: Gender, overconfidence, and common stock investment', *The Quarterly Journal of Economics*, vol. 116 (1), 2001, pp. 261-292; A Cupak, P Fessler & A Schneebaum, 'Gender differences in risky asset behavior: The importance of self-confidence and financial literacy', *Finance Research Letters*, vol. 42, 2021; KC Mishra & MJ Metilda, 'A study on the impact of investment experience, gender and level of education on overconfidence and self-attribution bias', *IIMB Management Review*, vol. 27 (4), 2015, pp. 228-239.

2.4 Advice from experienced investors to recent investors

In the focus groups, the most experienced investors were asked what advice they would give investors who are new to investing. Some investors cautioned against *“chasing the excitement”* (male, most experienced investor) and said they would steer novice investors towards *“staple stocks that are going to give you dividends”* (male, most experienced investor). A few stated that speculative stocks were a product to steer clear of: *“don’t take such an interest in speculative stocks”* (male, most experienced investor) and *“keep your percentage of speculative stocks small”* (male, most experienced investor).

Some expressed a need to try to curb emotion-driven investment choices: *“don’t let your enthusiasm or excitement drive your choices”* (female, most experienced investor) and a few offered words of encouragement, stating that it *“doesn’t matter if you start with very little”* (female, most experienced investor) and that you should *“put in an amount of money you’re comfortable with”* (female, most experienced investor).

3. Attitudes and approach to investing

3.1 How investors described their investment approach

Survey participants were asked to describe their approach to investing by selecting as many terms as they felt applied to them from a random list of 18 terms (and they could specify other terms not listed).²⁸

It is important to note that a number of research constraints and limitations apply to this survey question – for example, the unconscious influence of natural behavioural biases, such as social desirability bias, present bias, and overconfidence and/or overoptimism in the selection of terms.²⁹

Overall, investors selected a range of different terms, on average selecting three different terms to describe their current investment approach. The most common terms investors chose were ‘in it for the long-term’ (30%), followed by ‘safe’ (26%), ‘balanced’ (24%) and ‘planned’ (20%). Other common terms chosen were ‘set and forget’ (18%), ‘strategic’ (18%), ‘active’ (18%), and ‘calculated’ (18%). Approaches such as ‘day trader’ (7%), ‘reactive’ (6%) and ‘obsessed’ (4%) were all selected by few investors. See Figure 16.

Overall, there were few significant differences by years of investing experience. The most experienced investors were more likely to select ‘in it for the long-term’ (40% vs. 25% of recent investors) to describe their approach to investing, and around a quarter of this group selected ‘balanced’ (28% vs. 20% of recent investors), ‘planned’ (26% vs. 17% of recent investors) and ‘well-diversified’ (24% vs. 12% of recent investors). Recent investors were more likely to describe their approach as ‘inexperienced’ (21% vs. 11% of moderately experienced investors and 10% of the most experienced investors).

Investors aged 55 and over were more likely to select ‘in it for the long-term’ (43% vs. 24% for those aged 18–34 and 29% for those aged 35–54) and ‘well-diversified’ (22% vs. 13% for those aged 18–34) to describe their approach to investing. Those aged 18–34 were less likely to select ‘balanced’ (17% vs. 27% for those aged 35–54 and 28% for 55 and over).

There were no gender differences found for the most frequently chosen terms. There were some noteworthy differences for other common terms for male versus female investors, including: ‘planned’ (23% of male investors vs. 15% of female investors), ‘strategic’ (21% vs. 13%), ‘active’ (23% vs. 10%), ‘calculated’ (22% vs. 11%), ‘well-diversified’ (19% vs. 12%), ‘passive’ (19% vs. 11%), ‘research-led’ (16% vs. 10%), ‘day-trader’ (9% vs. 3%), ‘reactive’ (8% vs. 4%) and ‘obsessed’ (5% vs. 2%).³⁰

Investors who held five or more product types in their portfolio were more likely than investors who held fewer product types to select ‘active’ (37% vs. 14%), ‘planned’ (36% vs. 17%), ‘well-diversified’ (33% vs. 14%), ‘strategic’ (30% vs. 16%), ‘calculated’ (27% vs. 16%) and ‘research-led’ (23% vs. 12%), but were also more likely to indicate that they were ‘obsessed’ (12% vs. 3%) and ‘risk-taking’ (24% vs. 13%).

²⁸ The list of factors for survey question 18 (*How would you describe your current investment approach?*) was informed by the focus groups.

²⁹ Refer to ‘Research constraints’ in Appendix 2.

³⁰ For behavioural studies and findings indicating overconfidence being gendered, refer to: BM Barber & T Odean, ‘[Boys will be boys: Gender, overconfidence, and common stock investment](#)’, *The Quarterly Journal of Economics*, vol. 116 (1), 2001, pp. 261–292; A Cupak, P Fessler & A Schneebaum, ‘[Gender differences in risky asset behavior: The importance of self-confidence and financial literacy](#)’, *Finance Research Letters*, vol. 42, 2021; KC Mishra & MJ Metilda, ‘[A study on the impact of investment experience, gender and level of education on overconfidence and self-attribution bias](#)’, *IIMB Management Review*, vol. 27 (4), 2015, pp. 228–239.

Only one in five cryptocurrency owners (20%) considered their investment approach to be 'risk-taking'. Investors that held *only* cryptocurrency were just as likely to consider that they were 'risk-taking' (19%) as investors that held cryptocurrency in combination with other product types (21%). One in ten investors that held *only* cryptocurrency considered their investment approach to be 'safe' (11%) and 'balanced' (11%), compared to around one in four investors that held cryptocurrency in combination with other product types (29% and 22%, respectively).

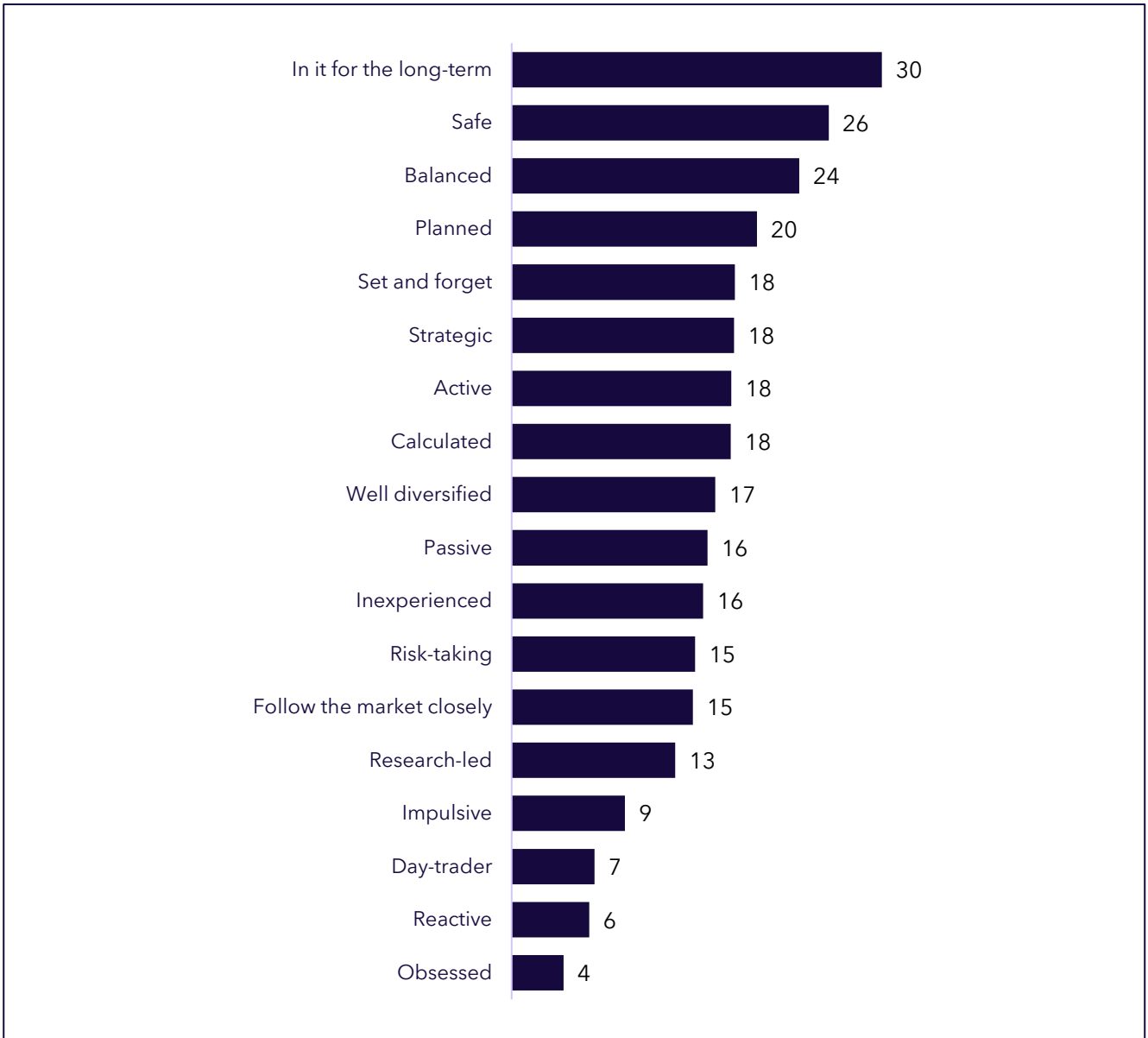
Focus group participants were also asked to describe their investment approach. Some indicated they tried to flexibly react to market changes and be "... *ready to take action ... to maximise my investments*" (male, most experienced investor). Some said their approach was different for different parts of their portfolio - for example, some said the portion of their portfolio that was dedicated to more speculative stocks required a more "active" approach: "... *set and forget works fairly well for blue chip companies [but] misses the smaller cap stocks that have the biggest growth potential*" (male, experienced investor). Others preferred a more conservative approach: "... *days of taking a risky approach have passed, even though they might produce a higher return*" (female, experienced investor) and "*I am generally a conservative investor and take a long-term approach. I tend to research making investments and undertake the required research before making a major financial decision. I am an accountant by education and usually take an analytical approach*" (male, most experienced investor).³¹

Some recent investors approached investing with a high degree of confidence, "... *most of my investments I have very high conviction in*" (male, recent investor) while others took a more modest approach: "*I am not a risk taker, I review and take strategic risks based on the information I have. I also prefer the longer term investments*" (female, most experienced investor).

A few investors favoured a particular type of investment (e.g. cryptocurrency) but others described coupling long-term investing approaches with some risky speculative options and/or taking a less active approach: "*I try to find a balance between something reliable and something with high potential so using a sort of core and satellite approach*" (male, recent investor).

³¹ Refer to 'Research constraints' in Appendix 2.

Figure 16: How investors described their investment approach (%)



Q18. How would you describe your current investment approach? (Multiple response) // Base: all participants (n=1,053).

3.2 Attitudes to investing

To further understand attitudes to investing, survey participants were asked to indicate the extent to which they agreed or disagreed with a list of statements.³² A number of research constraints and limitations apply to this survey question – for example, the unconscious influence of natural behavioural biases, such as social desirability bias, present bias, and overconfidence and/or overoptimism.³³

Overall, eight in ten investors (80%) agreed (strongly or somewhat) with the statement ‘I do research before making an investment decision’, and seven in ten (72%) agreed (strongly or somewhat) with the statement ‘I only ever invest as much as I’m prepared to lose’. A similar proportion agreed with the statement ‘loss is just part of the investing process’ (70%), and ‘I make a conscious effort to diversify what I’m investing in’ (69%). These results were consistent across the years of investing experience segments. See Figure 17.

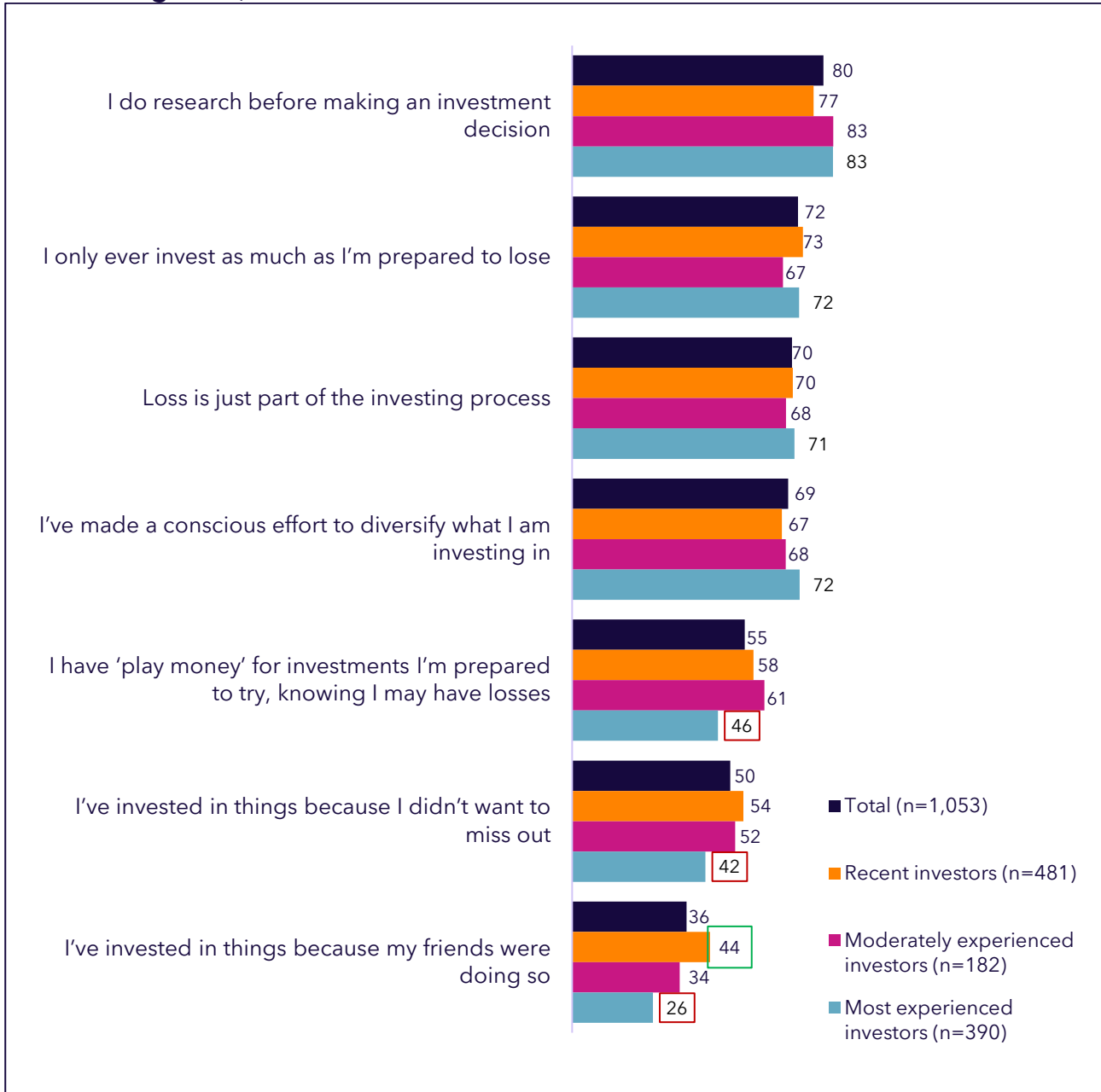
More than half of total investors (55%) agreed (strongly or somewhat) with the statement ‘I have ‘play money’ for investments I’m prepared to try, knowing I may have losses’, an approach also mentioned in the focus groups when some investors described a ‘core and satellite’ approach (i.e. where long-term investing is coupled with some risky speculative options). The most experienced investors in the survey were less likely to agree (strongly or somewhat) with the statement (42% vs. 52% of moderately experienced investors and 54% of recent investors).

Half of total investors (50%) agreed (strongly or somewhat) with the statement ‘I’ve invested in things because I didn’t want to miss out’, and over a third (36%) agreed (strongly or somewhat) with the statement ‘I’ve invested in things because my friends were doing so’. Recent investors were more likely to agree (strongly or somewhat) with these statements (54% and 44%, respectively) than the most experienced investors (42% and 26%, respectively).

³² The statements for survey question 20 (*To what extent do you agree or disagree with the following statements?*) was informed by the focus groups.

³³ Refer to ‘Research constraints’ in Appendix 2.

Figure 17: Investing attitudes by years of investing experience segments (strongly and somewhat agree %)



Q20. To what extent do you agree or disagree with the following statements? Strongly agree, Somewhat agree, Neither agree nor disagree, Somewhat disagree, Strongly disagree, Don't know // Base: All participants (n=1,053).

4. Attitudes to risk and loss

A number of unavoidable research constraints and limitations apply to questions about risk and loss, for example the unconscious influence of natural behavioural biases, such as social desirability bias, loss aversion, availability bias, present bias, and overconfidence and/or overoptimism.³⁴

4.1 Products investors would not invest in

Survey participants were asked if there were any products they would not invest in (for this question, they were presented with a list of all product types regardless of whether they held the product in their investment portfolio and they could specify other products not listed).

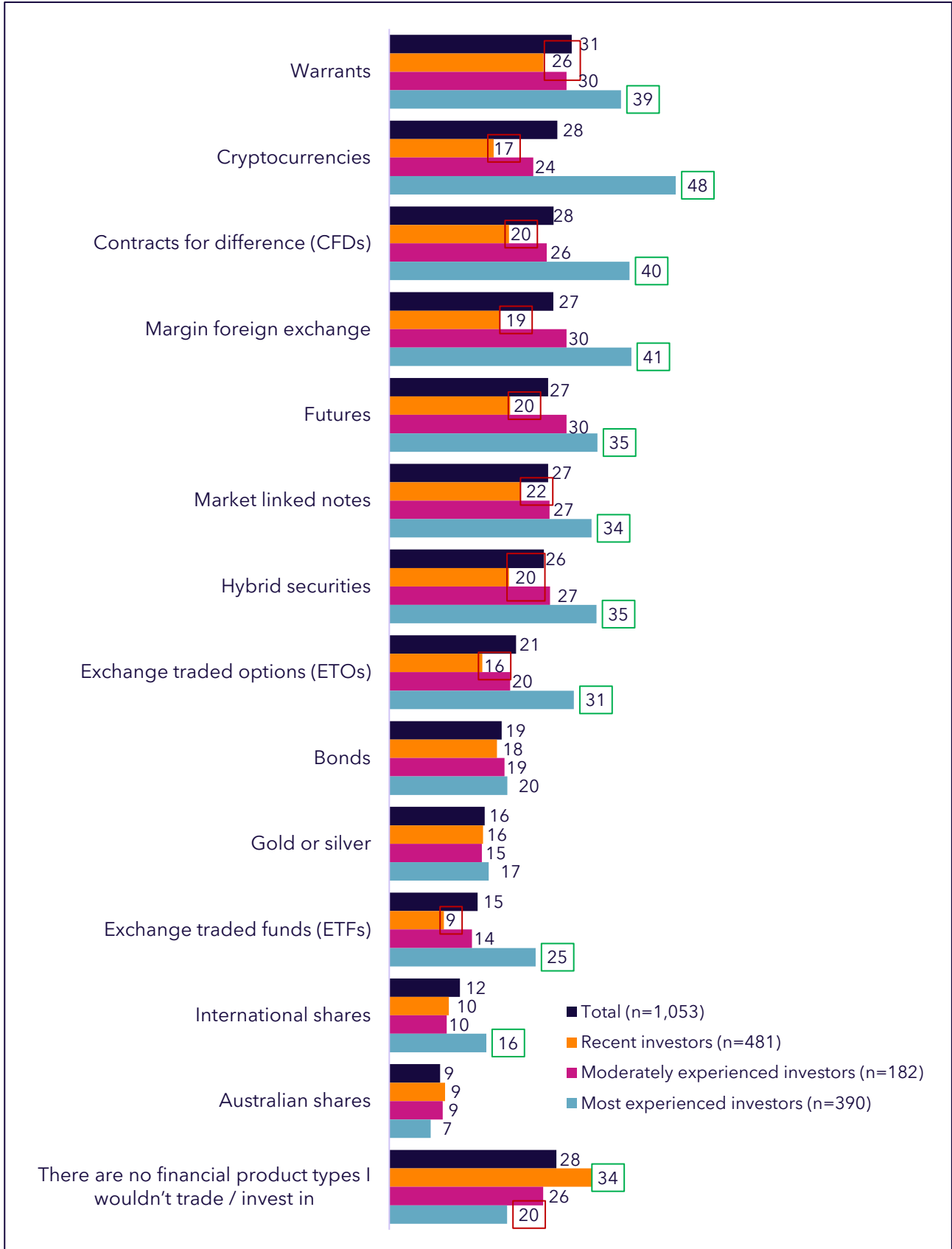
Overall, around three in ten investors said they would not invest in warrants (31%), cryptocurrencies (28%) or CFDs (28%). Nearly three in ten (28%) said there was *nothing* they wouldn't invest in, and this was higher among recent investors (34% vs. 20% for the most experienced investors); and among those aged 18–34 (30%) and 35–54 (32%) versus those aged 55 and over (17%).

Recent investors were also less likely to select many of the products in the list. By contrast, the most experienced investors were more likely to report they would not invest in many of the products listed, notably cryptocurrencies (48% vs. 17% of recent investors), margin foreign exchange (41% vs. 19%), CFDs (40% vs. 20%), warrants (39% vs. 26%), futures (35% vs. 20%), market linked notes (34% vs. 22%), hybrid securities (35% vs. 20%), and ETFs (31% vs. 16%). See Figure 18.

There were some notable differences by age group. For example, those aged 55 and over were more likely to report they wouldn't invest in many of the financial products listed compared to those aged under 55, most notably cryptocurrencies (58% vs. 20%), CFDs (45% vs. 22%), margin foreign exchange (43% vs. 23%), warrants (43% vs. 27%), futures (39% vs. 23%) and hybrid securities (38% vs. 22%). Results were consistent by gender.

³⁴ Refer to 'Research constraints' in Appendix 2.

Figure 18: Financial products investors would not invest in, by years of investing experience segments (%)



Q22. Are there any types of financial products that you would not invest in? (Multiple response) // Base: All participants (n=1,053).

A follow up question was asked to ascertain why survey participants would not invest in specific products, again using a prompted list that included a specify option if their reason wasn't listed. Overall, across many of the product types, the biggest barrier was a belief that investors did not know enough about a product. This was most notable for CFDs (69% believed they 'didn't know enough about this', including 80% of female investors and 89% of moderately experienced investors); market linked notes (69%); hybrid securities (67% and 82% of female investors); ETOs (65%); warrants (63%); and margin foreign exchange (62%). The exception was cryptocurrencies, where the majority of those who would not invest in this product (59%) thought it was 'too risky'. This view was consistent across all age groups, both male and female investors, and years of investing experience segments. Of note, however, is that female investors were much more likely than male investors to say they wouldn't invest in cryptocurrencies because they felt they 'did not know enough about it' (52% vs. 31%).³⁵

Table 4: Reasons for not investing in product types (%)

Product types	n=	Too risky	Cannot afford it	Not profitable enough	Too safe	Too boring	Don't know enough about it
Warrants	348	22	7	7	4	7	63
Cryptocurrencies	352	59	7	5	4	6	39
CFDs	323	24	8	4	5	4	69
Margin foreign exchange	320	29	9	7	3	4	62
Futures	305	32	7	10	4	7	53
Market linked notes	299	14	7	7	7	7	69
Hybrid securities	301	20	9	7	5	6	67
ETOs	255	19	10	7	7	3	65
Bonds	203	15	11	28	6	13	46
Gold or silver	165	19	13	23	11	9	38
ETFs	183	26	14	10	8	8	52
International shares	133	34	14	16	8	6	43
Australian shares	77	31	13	30	22	4	24

Q23. Which of these reasons explain why you would not invest in the following financial products? (Multiple response per product) // Base: participants who said they would not invest in each product at survey question 22 (shown in the n= column).

³⁵ For behavioural studies and findings indicating overconfidence being gendered, refer to: BM Barber & T Odean, '[Boys will be boys: Gender, overconfidence, and common stock investment](#)', *The Quarterly Journal of Economics*, vol. 116 (1), 2001, pp. 261-292; A Cupak, P Fessler & A Schneebaum, '[Gender differences in risky asset behavior: The importance of self-confidence and financial literacy](#)', *Finance Research Letters*, vol. 42, 2021; KC Mishra & MJ Metilda, '[A study on the impact of investment experience, gender and level of education on overconfidence and self-attribution bias](#)', *IIMB Management Review*, vol. 27 (4), 2015, pp. 228-239.

4.2 Investor attitudes and experience of risk

4.2.1 Exploring investors' experience of risk in the focus groups

Across all the focus groups, the concept of risk was not an easy concept for participants to describe and define.

Many investors described risk as simply part of investing: *"there's always some level of risk"* (male, most experienced investor). Some investors described their attitude towards risk as one of management, acknowledging that *"you cannot eradicate it"* because *"it's inevitable"* (male, recent investor). Few investors described exactly how they manage risk, although some referred to diversification as a mechanism to manage risk and others referred to themselves as *"calculated"*. Some investors mentioned limiting the proportion of speculative investments in their portfolio – for example, one recent investor described their approach as *"only 10% of my portfolio [goes into] speculative stocks"* (male, recent investor).

A few investors noted a relationship between risk and reward, describing investment decisions as a balance between the two. Another referred to risk as *"idealistic"* because they perceived that those able to take on a higher level of risk were possibly in a more stable financial position (female, recent investor). A few recent investors described risk as a factor that may need to change over time: *"the older I am, the less risky investments that I'd like to partake in"* (female, recent investor).

Some experienced investors, particularly those in the female focus group, said they took on less risk than they would advise younger investors to expose themselves to: *"your risk threshold is higher [when you're young]"* (female, most experienced investor). Others spoke about risk through the lens of having experienced loss: *"you know what you're getting into, and you know what you can lose"* (male, most experienced investor).

4.2.2 Quantifying the (subjective) risk profile of investors

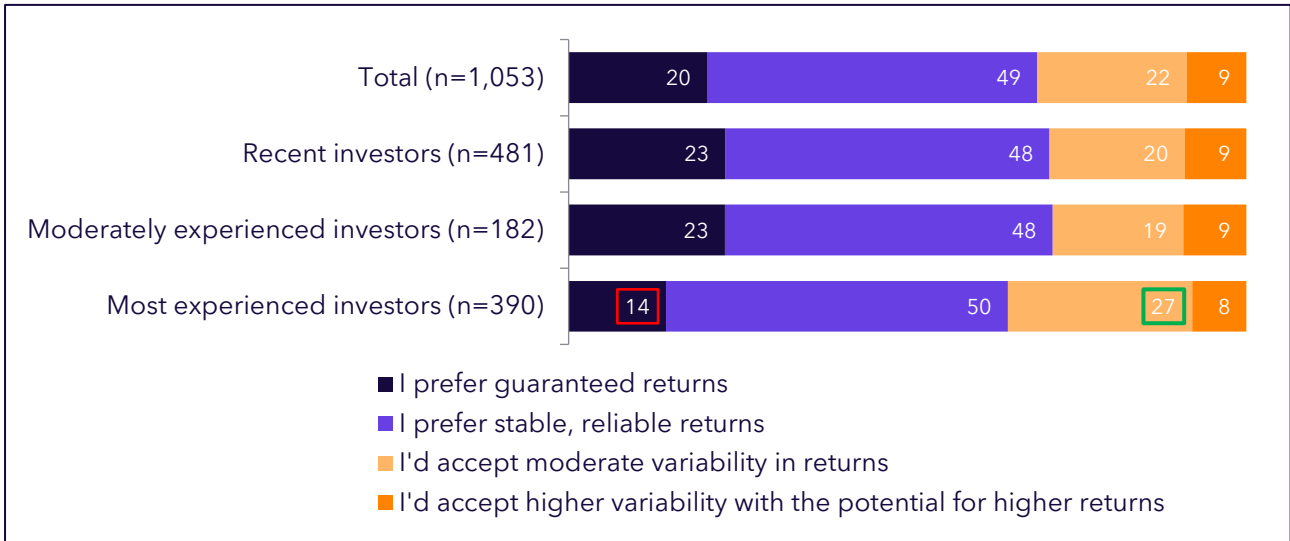
Survey participants were asked to describe their attitude to financial and investment risk, selecting one of four risk statements. Across total investors, around half (49%) described their attitude to risk as 'I prefer stable, reliable returns', with 20% indicating that they were *less* risk tolerant than this (describing their attitude as 'I prefer guaranteed returns') and 31% indicating they were *more* risk tolerant than this (with 22% describing their attitude as 'I'd accept moderate variability in returns', and 9% describing their attitude as 'I'd accept higher variability with the potential for higher returns'. See Figure 19.

By comparison, the same question in the 2020 ASX Investor Study³⁶ revealed a higher risk appetite compared to the 2021 SEC Newgate survey. That is, in the 2020 ASX Investor Study, 17% of investors described their attitude to financial and investment risk as 'I'd accept higher variability with the potential for higher returns' (compared to 9% of investors in the SEC Newgate survey) and 29% described their attitude to financial and investment risk as 'I'd accept moderate variability in returns' (compared to 22% of investors in the SEC Newgate survey).

The most experienced investors were less likely to describe their attitude to financial and investment risk as 'I prefer guaranteed returns' (14%), compared to moderately experienced investors (23%) and recent investors (23%). See Figure 19.

³⁶ Australian Securities Exchange Ltd, [ASX Australian Investor Study 2020](#), (2020). See figure 22 (p. 23) – total investors reported: 'I prefer guaranteed results' (16%), 'I prefer stable, reliable results' (38%), 'I'd accept moderate variability in returns' (29%), 'I'd accept higher variability with the potential for higher returns' (17%). An online survey conducted by Investment Trends in January 2020 and May 2020.

Figure 19: Attitude to financial and investment risk, by years of investing experience segments (%)

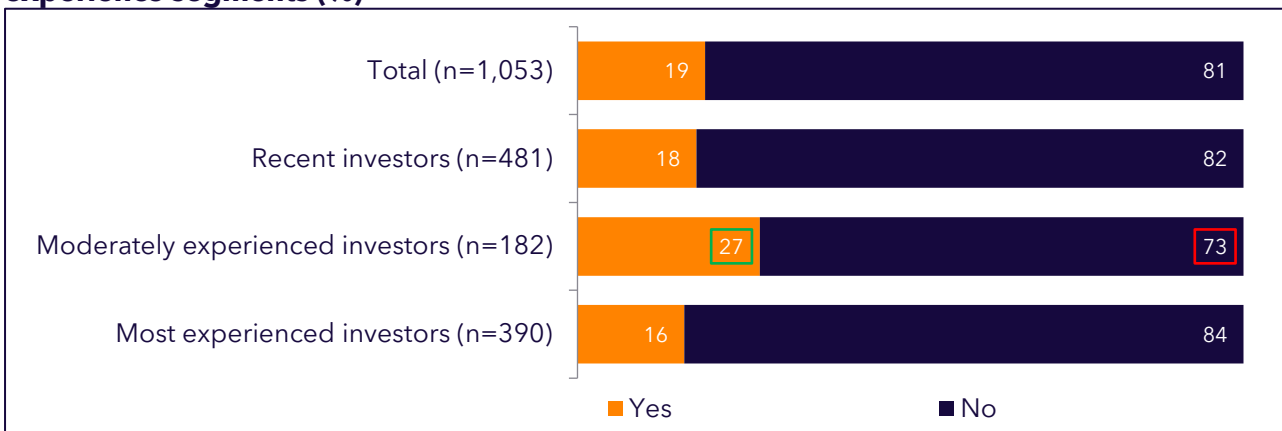


Q25. How would you describe your attitude to financial and investment risk? (Single response) // Base: All participants (n=1,053).

Survey participants were asked if they currently held any products in their investment portfolio that they considered risky or speculative. Overall, investors mostly reported owning *no* risky or speculative products in their portfolio (81%), as seen in Figure 20. Moderately experienced investors were more likely to say they owned risky or speculative products (27% vs. 16% of the most experienced investors, and 18% of recent investors), as did male investors (24% vs. 10% of female investors), those aged under 55 (20% vs. 14% for those aged 55 and over) and those living in metro areas (21% vs. 11% of those living in non-metro areas).

Just one in three cryptocurrency owners (34%) considered that they owned products that were risky or speculative, and those who *only* owned cryptocurrency were even less likely to consider that they owned risky or speculative products (17%, compared to 40% of those who held cryptocurrency in combination with other products).

Figure 20: Products in portfolio considered risky or speculative, by years of investing experience segments (%)

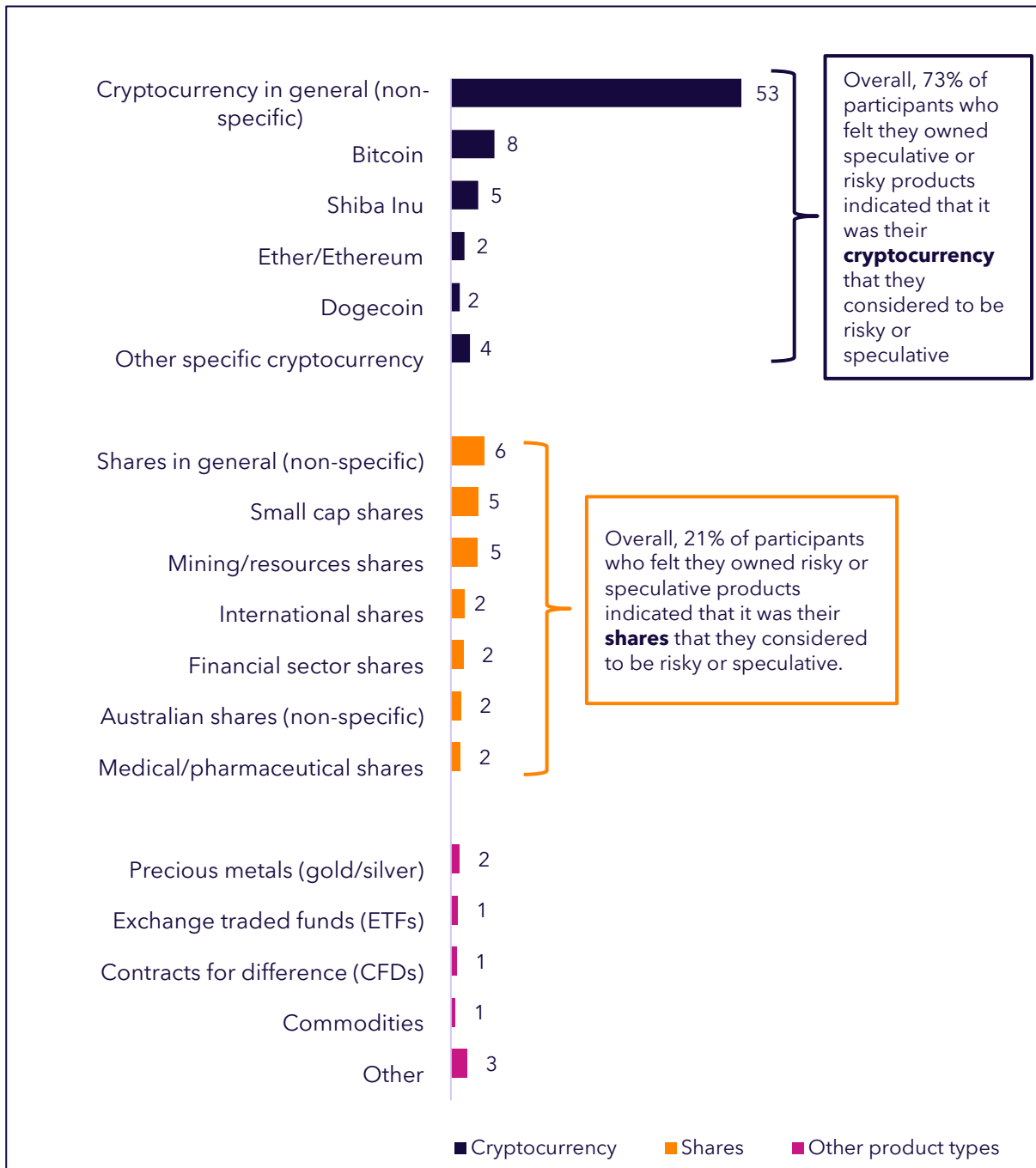


Q26. Do you currently have any products in your portfolio that you consider risky or speculative? (Single response) // Base: All participants (n=1,053).

Survey participants who reported they currently held products in their portfolio considered to be risky or speculative were asked to name the products. The responses were coded into key

themes, as shown in Figure 21. The most frequently mentioned product type was cryptocurrencies. In total, 73% of this group (representing 14% of the total sample) mentioned this product, with 53% saying cryptocurrencies in general and specific types such as Bitcoin (8%), Shiba Inu (5%) or Dogecoin (2%). Shares were mentioned by 21% of this group (4% of the total sample), with 6% naming shares in general, alongside small cap shares (5%) or mining and/or resources shares (5%). Few investors mentioned precious metals (gold or silver) (2%), ETFs (1%), CFDs (1%) and commodities (1%).

Figure 21: Products in portfolio considered risky or speculative, coded mentions (%)



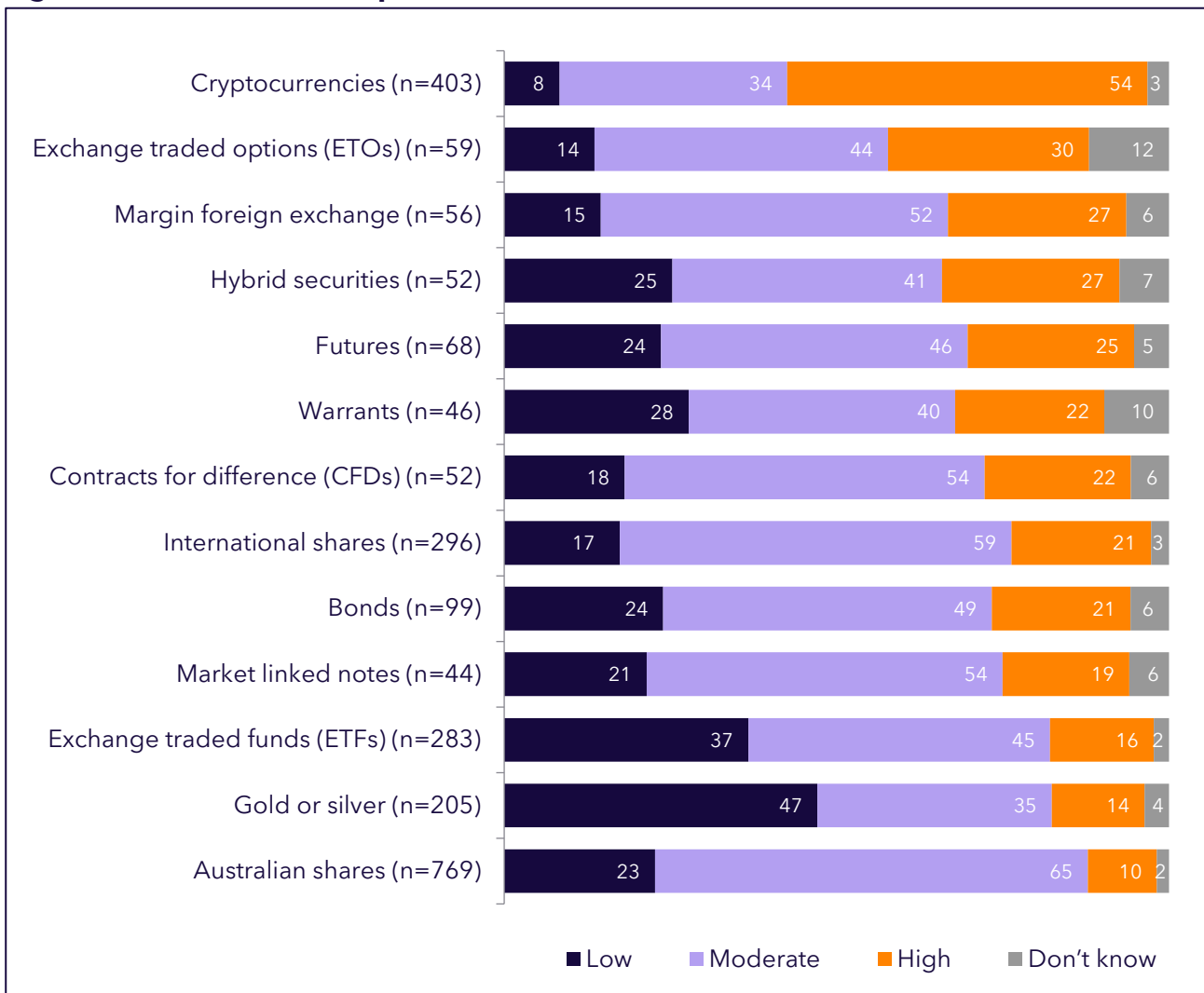
Q26. Do you currently have any products in your portfolio that you consider risky or speculative? If so, please name the products. (Open ended responses, coded into themes. Multiple responses allowed) // Base: all participants who have products in their portfolio that they consider risky or speculative (n=171).

Survey participants were asked to classify the different financial product types they currently own according to their perceived level of risk (low, moderate, high or don't know). A single level of risk only could be selected for each product type held.

Among those who held cryptocurrencies in their current investment portfolio (n=403), about half classified it as 'high risk' (54%) - the highest of any products owned. Over a third (34%) considered cryptocurrencies to be of 'moderate risk', and 8% considered the product to be 'low risk'. Cryptocurrency owners who were more likely to rate this product as low or moderate risk included recent investors (48% vs. 34% of moderately experienced investors and 35% of the most experienced investors), female investors (54%, vs. 38% of male investors), and those employed part-time (70%, vs 35% of those employed full-time).

Gold or silver were perceived as the lowest risk investment product (47% low risk), followed by ETFs (37% low risk). Australian shares were perceived as moderate risk products (65%) by those who held them. Among those who held CFDs (n=52), over half perceived them to be moderate risk (54%), with the remaining product holders considering them to be either high risk (22%), or low risk (18%). See Figure 22.

Figure 22: Perceived risk of products owned (%)



Q27. Would you classify the products you own as low, moderate or high risk? (Single response per product held in portfolio) // Base: owners of each product (shown in chart).

Note: chart sorted from highest to lowest based on ratings of perceived 'high risk' products.

4.3 Investor feelings about loss

4.3.1 Exploring investors' experience of loss since March 2020, in the quantitative survey

Survey participants were asked whether they had experienced loss for each of the product types they held in their investment portfolio or had traded, since March 2020.

As shown in Table 5, investors reported varied experiences depending on the type of products they owned or had traded. More than four in ten investors had experienced 'realised losses' (selling the investment for less than they bought it for or losing the money invested completely) for the following product types: market linked notes (52%), hybrid securities (47%), ETOs (45%), CFDs (42%), margin foreign exchange (42%) and futures (40%). Around three in ten investors who owned or had traded CFDs (31%), warrants (28%) or Australian shares (27%) had experienced a decline in investment value. The products where investors were more likely to select 'none of these' types of loss were gold or silver (44%) or ETFs (40%).

As mentioned previously (see section 3.2 'Attitudes to investing'), when asked to indicate the extent to which they agreed or disagreed with a list of statements about investing, most investors indicated that they agreed (strongly or somewhat) with the statement 'loss is part of the investing process' (70%) and 'I only ever invest as much as I'm prepared to lose' (72%). Over half of all investors agreed (strongly or somewhat) with the statement 'I have 'play money' for investments I'm prepared to try, knowing I may have losses' (55%).

Table 5: Types of loss experienced for each financial product owned or traded, since March 2020 (%)

Product type	Money invested completely lost (%)	Sold investment for less than you bought it (%)	Net: Investment lost + Sold for less than bought (%)	Investment value declined (%)	Investment didn't increase as much as expected (%)	None of these (%)
Market linked notes (n=91)	20	35	52	21	16	20
Hybrid securities (n=95)	15	34	47	25	15	18
ETOs (n=117)	15	33	45	26	14	24
CFDs (n=92)	17	29	42	31	16	19
Margin foreign exchange (n=114)	13	31	42	24	22	21
Futures (n=132)	16	26	40	21	17	31
Warrants (n=93)	8	30	36	28	13	26
Bonds (n=184)	9	23	31	25	18	32
International shares (n=356)	8	23	31	19	25	33
Australian shares (n=804)	11	20	29	27	24	33
Cryptocurrencies (n=481)	10	19	27	24	28	33

Product type	Money invested completely lost (%)	Sold investment for less than you bought it (%)	Net: Investment completely lost + Sold for less than bought (%)	Investment value declined (%)	Investment didn't increase as much as expected (%)	None of these (%)
Gold or silver (n=295)	9	18	26	16	17	44
ETFs (n=302)	9	16	24	19	25	40

Q28. Have you personally experienced the following types of loss across any of the following product categories since March 2020? (Multiple response per product) // Base: owners of each product and those who had traded (bought or sold) each product since March 2020, shown in table. Note: table sorted from highest to lowest by 'Net: Investment completely lost + Sold for less than bought (%)'.

4.3.2 Exploring investors' experience of loss in the focus groups

Focus group participants were asked what loss was and what it meant to them. Some of the investors had never sold an investment and some had not realised any losses.

For some investors, loss was viewed as *"part of the process"* (male, most experienced investor) and although it was upsetting, annoying and triggered feelings of unhappiness and worry it was also viewed as *"a lesson to learn"* for some investors (female, most experienced investor).

Some of the factors that influenced some investors' perceptions of loss included how risky the purchase was (i.e. safe or speculative), the level of research effort put towards the investment, feelings and expectations about the investment, the size of the original investment amount and/or the percentage drop in investment unit price. For example:

"If it was something that I had a very high confidence in and put a lot of money in then I'd be upset." **(male, most experienced investor)**

"If you've done your research and you think it's going to be great, but it doesn't turn out the way you want it, you're going to be sad, annoyed, deflated." **(female, recent investor)**

"I guess it comes down to the level of tolerance each person can take. For example if I lose \$1,000 I'll cry, but some people might not care about the \$1,000." **(male, recent investor)**

Some investors also made a distinction between realised and unrealised loss, and sometimes treated them differently: *"it's just a real loss once you've actually sold it"* (female, most experienced investor) and for an unrealised loss you can *"[put it] in the bottom drawer and just wait for it to come back up"* (female, most experienced investor), *"I know, eventually it's going to turn"* (male, recent investor).

Some investors expected the market to act cyclically, with a pattern of increasing value over the long-term, which made some feel (at least theoretically) comfortable with value drops: *"it may be lost today, but not tomorrow"* (female, recent investor).

Very few of the recent investors who participated in the focus groups had sold any of their investments, thus limiting direct experience of loss for this group to a drop in market value. Some of them felt anxious about *unrealised* losses and a few described checking their portfolio frequently as a consequence of these feelings: *"I haven't lost anything yet, but yeah definitely if the value would drop I would definitely get anxiety and fear"* (male, recent investor).

Some of the recent investors who dedicated a smaller amount of their overall portfolio to speculative investments reported having a higher level of (at least theoretical) comfort with potential losses for these investments than their other investments.

The most experienced investor groups had more real-world experience with realised loss. Some had experienced losses they deemed to be significant, and some reported previous substantial losses as distressing. Some of these investors felt loss was to be minimised but accepted, with a few highlighting the tax benefits of offsetting the loss against capital gains: *"I've learned to, at tax time, make it work to my advantage"* (female, most experienced investor).

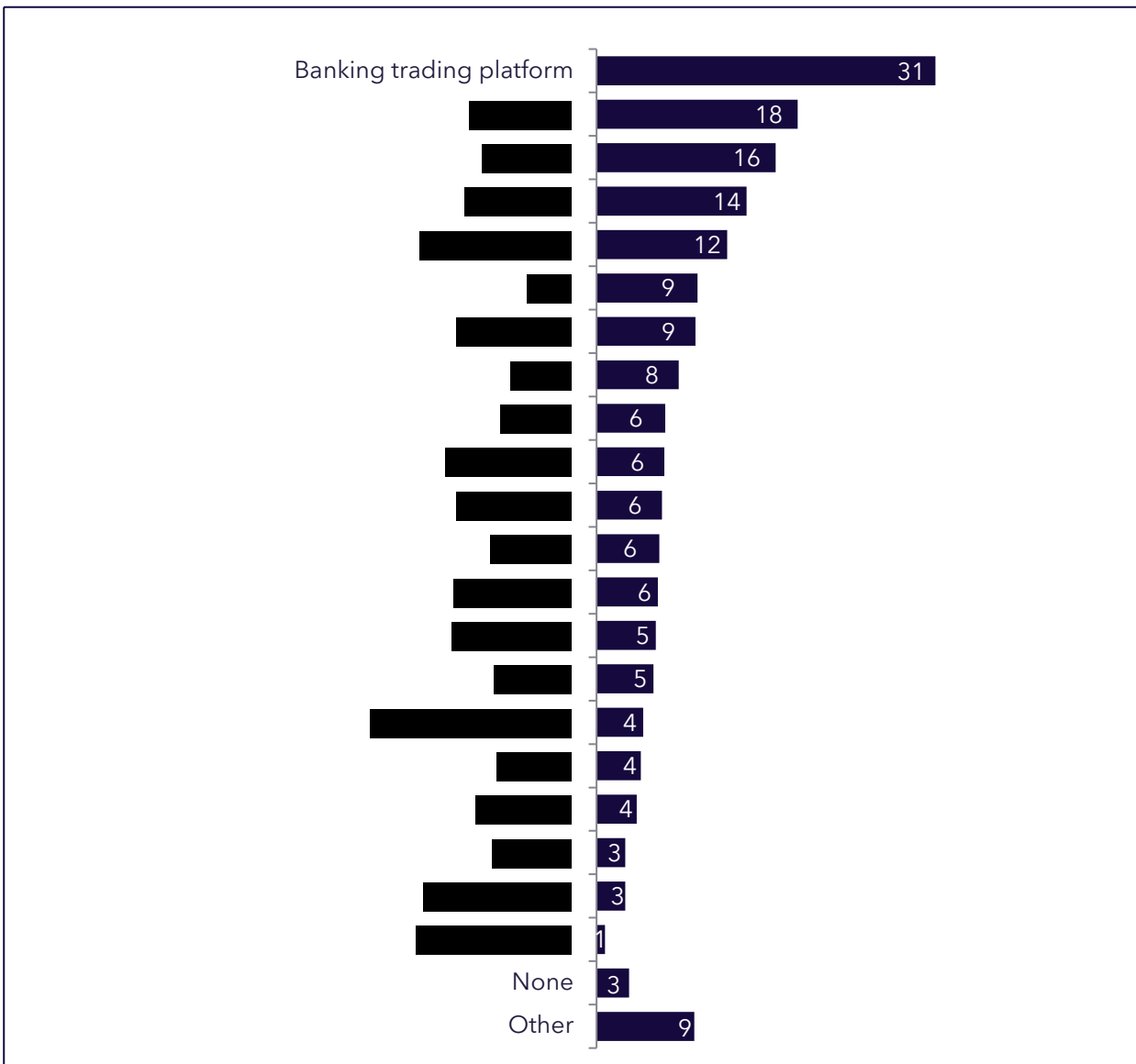
5. Trading platforms and information sources

5.1 Trading platforms used by investors

A wide range of trading platforms were reportedly used by investors participating in this research. Banking trading platforms were the most commonly used platforms across total investors since March 2020 (31% of surveyed investors reported they had used them). The next three most used trading platforms across total investors were cryptocurrency trading platforms, namely ██████ (18%), ██████ (16%) and ██████ (14%). See Figure 23.

Investors aged 18-34 were more likely to have used the cryptocurrency trading platforms ██████ (26%), ██████ (21%) and ██████ (19%), while those aged 55 and over were more likely to have used banking trading platforms (55%). Male investors were more likely to have used ██████ (21% vs. 9% of female investors), ██████ (17% vs. 8% of female investors), ██████ (14% vs. 8% of female investors) and ██████ (10% vs. 4% of female investors).

Figure 23: Trading platforms used since March 2020 (%)



Q29. Which of the following trading platforms have you used since March 2020? (Multiple response) // Base: all participants (n=1,053).

5.2 Information sources used by investors

In the survey, participants were asked where they had 'mainly' got information about investing from since March 2020. See Figure 24. While a minority of investors (5%) indicated they hadn't accessed any information sources, many investors had accessed multiple information sources. On average, three 'main' sources were used by investors.

Some of the commonly cited 'main' types of information sources included:

- 'Google searches' (34%);
- investors' personal networks, such as 'family or friends' (24%), 'my spouse / partner' (10%) and 'work colleagues' (10%) (36% collectively);
- social media and networking platforms³⁷ (i.e. Facebook, Reddit, TikTok, Instagram, YouTube, podcasts and/or blogs) (38% collectively). This figure rose to 41% if also including financial influencers. The most commonly accessed social media sources were 'YouTube' (20%), 'Facebook' (11%), 'podcasts' (10%), and 'financial influencers (e.g. on social media)' (10%);
- financial-focused sources such as 'financial institutions (e.g. ██████████, ██████████)' (21%), 'ASX' (20%), 'company websites' (18%), 'financial planner / advisor / broker' (13%), 'company financial statements' (12%), 'annual/quarterly company reports' (12%); and
- investing sources such as 'investing websites' (20%) and 'books' on investing (12%).

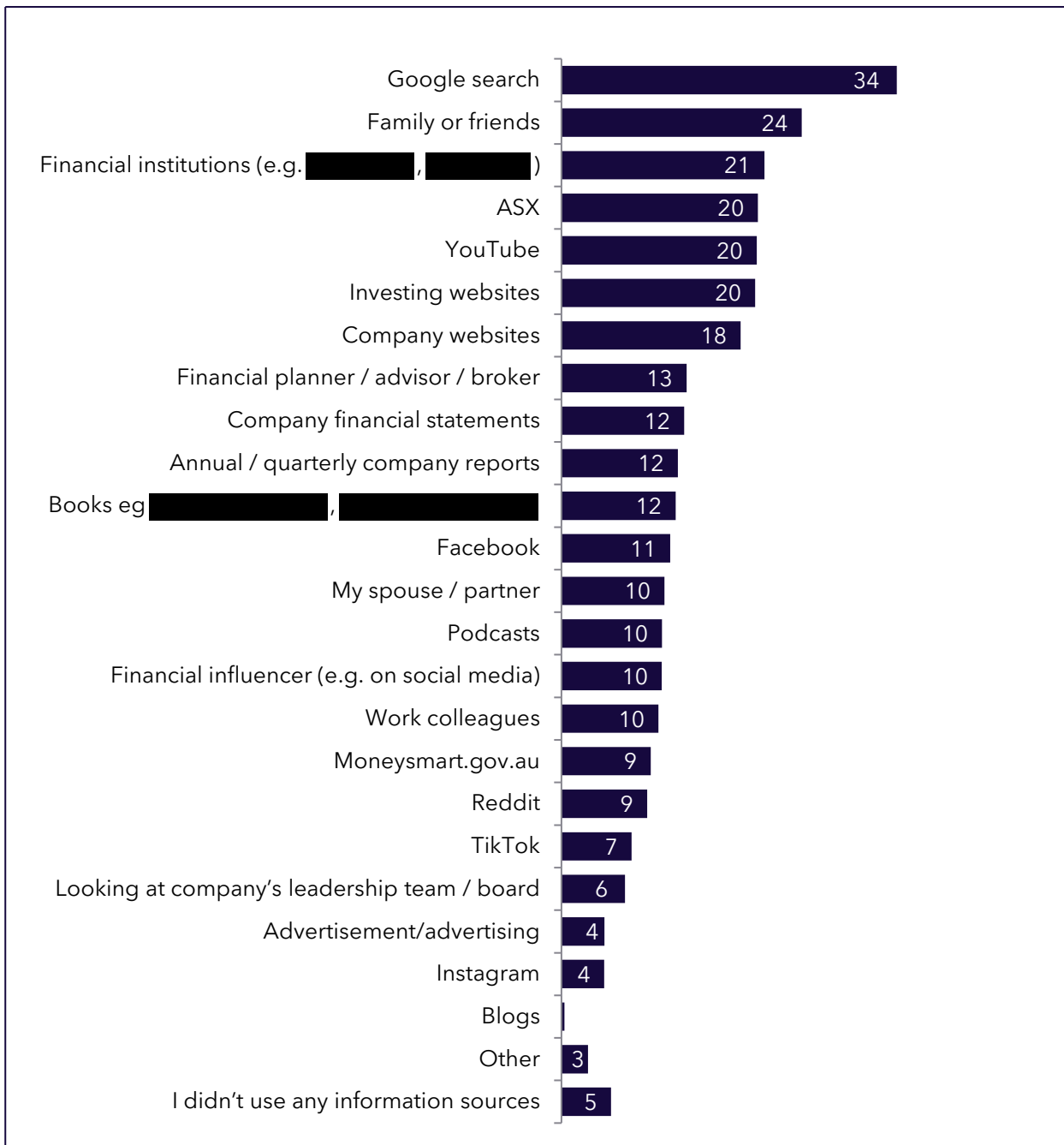
The most experienced investors were more likely to report accessing investment information from financial-focused sources, such as 'financial institutions' (29% vs. 14% of recent investors), 'ASX' (28% vs. 16% of recent investors), 'company websites' (25% vs. 14% of recent investors), 'financial planner / advisor / broker' (18% vs. 9% of recent investors) and 'company financial statements' (17% vs. 8% of recent investors).

There were some notable differences by age group, with those investors aged 35-54 more likely to report accessing investment information from 'Google searches' (40%) compared to those aged 55 and over (19%). Those investors aged 55 and over were more likely to report:

- accessing information from 'ASX' (27% compared to those aged 18-34 (17%) and those aged 35-54 (18%));
- accessing information from 'financial planner / advisor / broker' (19% compared to those aged 18-34 (9%) and those aged 35-54 (14%)); and
- not using any information sources (10%) compared to those aged 18-34 (2%) and those aged 35-54 (5%).

³⁷ There are many definitions of social media. In this report, the term social media refers to a computer-based technology that facilitates the sharing of ideas, thoughts, and information through virtual networks and communities. Source: [Social Media Definition \(investopedia.com\)](https://www.investopedia.com/terms/s/social-media-definition/).

Figure 24: Main sources of information about investing used since March 2020 (%)



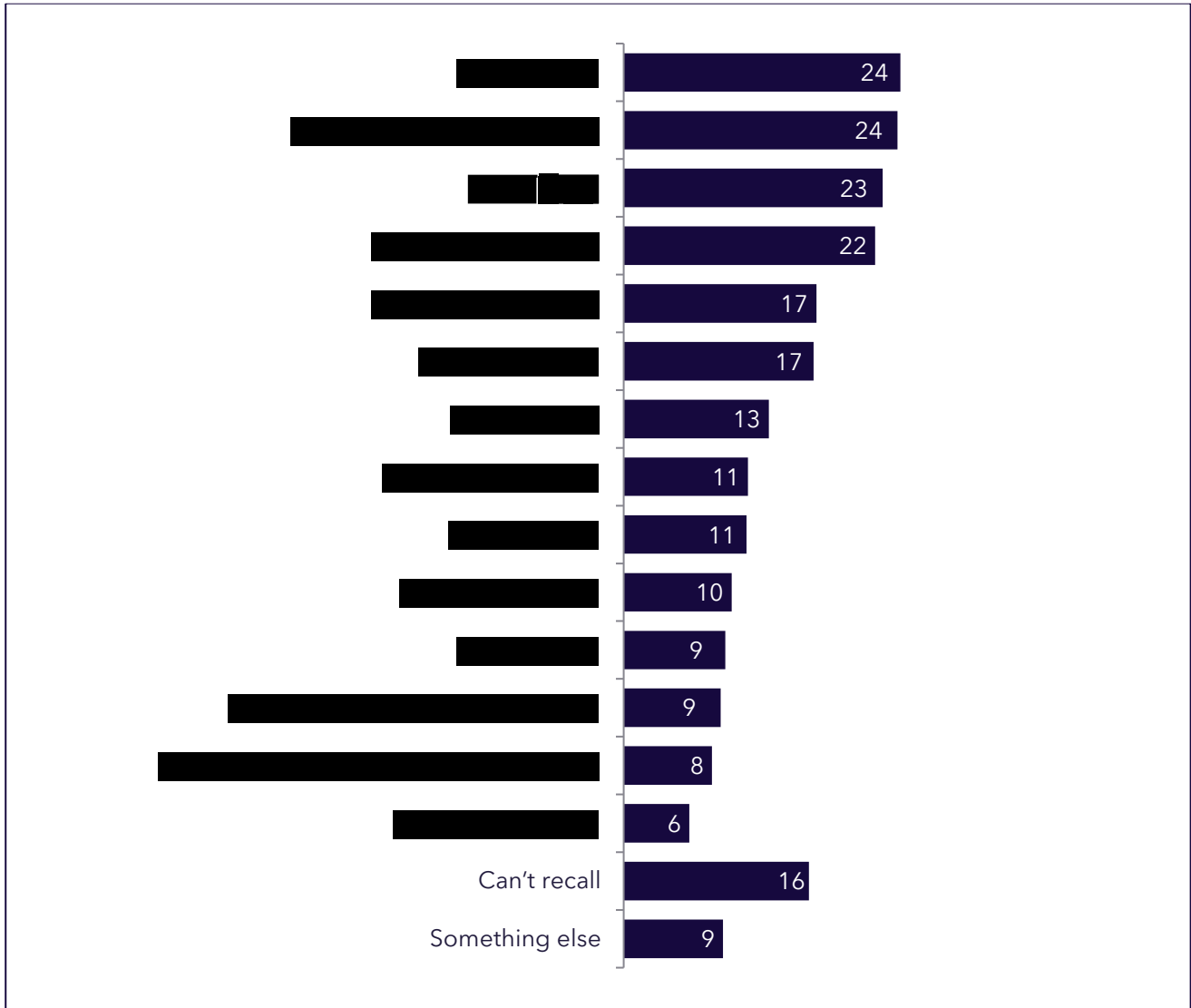
Q30. Since March 2020, where did you mainly get information about investing from? (Multiple response) // Base: all participants (n=1,053).

Of the one in ten surveyed participants (n=97) who said one of their main information sources about investing since March 2020 was from financial influencers (e.g. on social media), the most mentioned (unprompted) influencers were [REDACTED] ([REDACTED]' - mentioned by 3% of this group), [REDACTED] ([REDACTED]' - mentioned by 3%) and various other financial influencers (mentioned by 16%). Entrepreneurs or business leaders were mentioned by 5%. Other media personalities were also mentioned by 11% of this group, with 3% specifically mentioning [REDACTED] ([REDACTED]').

The one in ten surveyed participants (n=97) who said one of their main information sources about investing since March 2020 was from podcasts were provided with a list of 14 podcasts

and asked to indicate which ones (if any) they had listened to. The main podcasts selected were [redacted] (selected by 24% of those who said they used podcasts), [redacted] (24%), [redacted] (23%), [redacted] (22%), [redacted] (17%) and [redacted] (17%). See Figure 25.

Figure 25: Podcasts used to get information about investing (%)



Q31. Which podcasts do you listen to in order to get information about investing? // Base: participants who mainly get information about investing from podcasts (n=97).

5.2.1 How investors judged the credibility of information they received

When asked in the focus groups to reflect on the credibility of different investment information sources, many participants struggled to describe specifically how to judge this. For example:

"I try and compare one source with other sources and see if they say the same things; in which case you might give the information more credence." **(male, most experienced investor)**

"... you weigh up information from multiple sources." **(female, most experienced investor)**

A few investors reflected that they had made mistakes in their early days of investing in terms of basing decisions on sources that lacked credibility (e.g. social media posts or advice from friends).

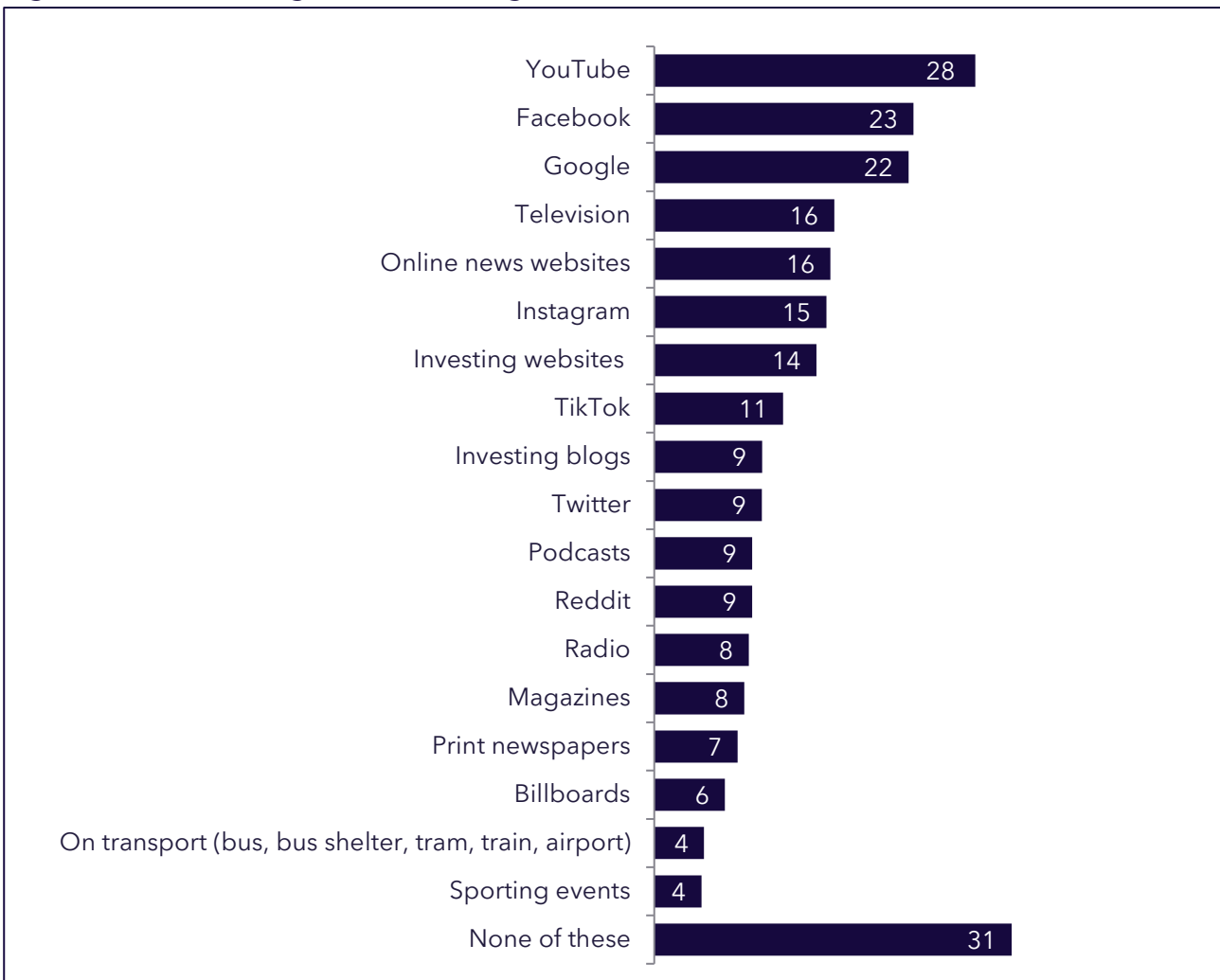
5.3 Awareness of investment advertisements in the last six months

All surveyed participants were asked whether they had noticed any advertisements about investing across a range of channels over the last six months. Three in ten (31%) could not recall seeing anything, but 69% recalled seeing something on one or more of the channels listed in the survey, with YouTube (28%), Facebook (23%) and Google advertising (22%) being the most commonly recalled advertising channels. See Figure 26.

Recent and moderately experienced investors were more likely to have noticed any forms of advertising (26% selected 'none of these' vs. 44% of the most experienced investors).

Male investors were more likely to report seeing a range of advertisements, including YouTube (34% vs. 18% of female investors), Google (26% vs. 16%), Twitter (13% vs. 4%), Reddit (11% vs. 4%), magazines (10% vs. 5%) and billboards (8% vs. 3%). Investors aged 18-34 were more likely to have seen advertisements on Instagram (23% vs. 11% of those aged 35 and over), TikTok (19% vs. 7%) and Reddit (13% vs. 6%). Investors aged 55 and over were more likely to indicate that they had not noticed any forms of advertising (49% selected 'none of these', vs. 32% of those aged 35-54 and 20% of those aged 18-34). Those aged 55 and over were also more likely to have seen advertisements in print newspapers (13% vs. 7% of those aged 35-54 and 5% of those aged 18-34).

Figure 26: Advertising about investing noticed in the last 6 months (%)



Q34. In the last 6 months, have you noticed any advertising about investing through the following? (Multiple response) // Base: all participants (n=1,053)

6. Safeguards

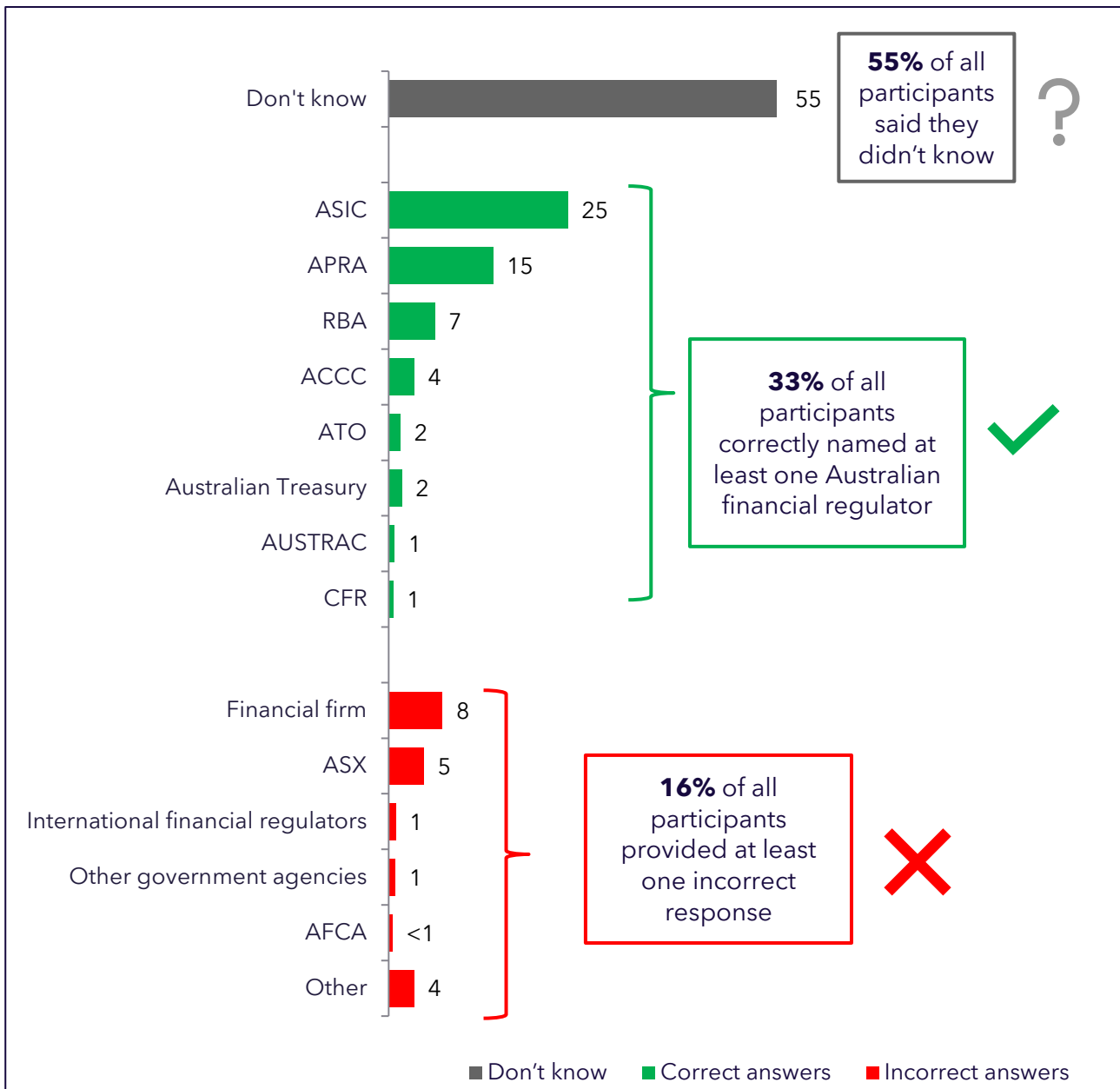
6.1 Unprompted awareness of Australian financial regulators and investors' knowledge about safeguards

As shown in Figure 27, participants in the survey were asked to name any Australian financial regulators they had heard of. This was a deliberately open question, with no list to select from, up to 10 names permitted and a 'can't recall any' option provided. Responses were coded into key themes. Overall, more than half (55%) indicated they did not know any Australian financial regulators. One-third of investors (33%) were able to correctly name at least one Australian financial regulator (i.e. ASIC, APRA, RBA, ACCC, Treasury, ATO, AUSTRAC, or CFR).³⁸ One in six investors (16%) provided at least one incorrect response (i.e. named at least one entity that was *not* an Australian financial services regulator, such as specific banks, trading platforms, businesses in other industries or other government agencies), and 12% of investors provided *only* incorrect responses.

Recent investors were more likely to indicate they didn't know any Australian financial regulators (62%), compared to the most experienced investors (44%), and were also less likely to correctly name any Australian financial regulators (25%, compared to 47% of the most experienced investors). Recent investors were also more likely to provide incorrect responses (e.g. 9% nominated a financial firm, compared to 4% of the most experienced investors).

³⁸ Please see footnote 11 for the meaning of these acronyms.

Figure 27: Unprompted awareness of Australian financial regulators (%)



Q35. Please list the names of any Australian financial regulators you have heard of // (Open ended responses with up to 10 names permitted and a 'can't recall any' option. Responses were coded into themes, with multiple responses possible. The question was unprompted in that the client (ASIC) was not disclosed to participants until after the survey had been completed.) // Base: all participants (n=1,053).

Meaning of acronyms: ASIC (Australian Securities and Investments Commission); APRA (Australian Prudential Regulation Authority); RBA (Reserve Bank of Australia); ACCC (Australian Competition & Consumer Commission); ATO (Australian Taxation Office); AUSTRAC (Australian Transaction Reports and Analysis Centre); CFR (Council of Financial Regulators); ASX (Australian Securities Exchange); AFCA (Australian Financial Complaints Authority).

The focus groups explored participants' knowledge about investing 'safeguards'. Neither the most experienced nor recent investors appeared to know much about existing safeguards or checks and balances that exist to protect investors. For example:

"I'm not quite sure how they fit in or what they do." (male, most experienced investor)

A few investors held the belief that buying into an ASX-listed company meant that it had been 'vetted'. Some trading platforms that have been available for longer were perceived to have

greater protection than new entrants. A few suggested that it would be safer to invest through [redacted] than [redacted], for example.

Focus group participants were also asked whether they recalled seeing any warnings when investing. Although recall was limited across the groups, a few investors listed some instances, such as: in a prospectus, disclaimers about historical financial performance and warnings about accessing information from overseas. These warnings were described by these investors as:

“There are warnings in every prospectus we read now, telling you about the potential risks but, I mean, I could write one of those... make up a whole lot of things that could possibly happen, and there you go. There's a lot of risks, often they're cookie cutter type things... I suppose it's whether the average person takes notice of them or not.” (male, most experienced investor)

“... that kind of thing is little you know... on a screen or a form or something, it's a little box where you tick, and who reads that, right?” (male, most experienced investor)

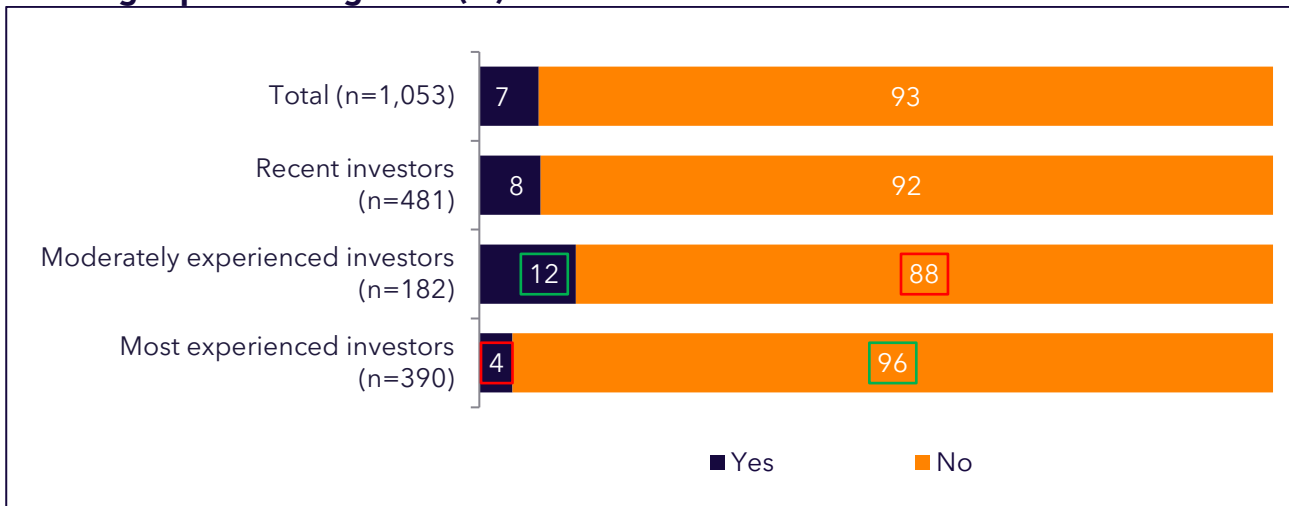
“Not[hing] really beyond disclaimers and saying you can't rely on past performance as an indicator of future performance.” (male, most experienced investor)

“You may not believe it.” (male, most experienced investor)

6.2 Concerning issues experienced when investing or doing a trade

Among survey participants, fewer than one in ten investors (7%) said they had experienced what they felt was a ‘concerning issue’ when investing or doing a trade, such as a scam or frozen funds.³⁹ Moderately experienced investors were the most likely to have experienced a concerning issue when investing or doing a trade (12% compared with 4% of the most experienced investors). See Figure 28.

Figure 28: Experienced a concerning issue when investing or doing a trade, by years of investing experience segments (%)



Q36. Have you ever experienced any concerning issues when you were investing or doing a trade (that was not a technical issue like forgetting your password) e.g. scams, frozen funds, or other significant issues? (Single response) // Base: all participants (n=1,053).

³⁹ Survey participants may have been *unaware* that they had experienced a concerning issue (e.g. unaware that they had been scammed), may have been *reluctant to acknowledge it* (e.g. due to feeling embarrassed), may have had differing subjective views on what constitutes a ‘concerning issue’, and may have struggled to recall instances that occurred long ago (particularly for those who had been investing for many years), so the figure of 7% overall having experienced a concerning issue may not be accurate.

On closer examination, among the participants who said they had experienced a ‘concerning issue’ (n=66), a quarter (25%) misunderstood the survey question and reported a minor issue such as a ‘forgotten password or other technical issue’. A further quarter (25%) did not describe any issue or provided no details of the concerning issue.⁴⁰ Nearly half (48%) described an actual serious or concerning issue. The most commonly described issues were:

- ‘having been scammed’ (18% of those who said they had experienced a concerning issue), for example:

“Having the company vanish after investment without getting any returns.” (female, recent investor)

“Contract for difference, I was duped and lost my entire lifetime savings which has put me into the most stressful situation in my life. It was a scam and I fell completely into it.” (male, recent investor)

“A couple of scams over the years gone by.” (male, most experienced investor)

“Scam on YouTube.” (female, moderately experienced investor)

- ‘cryptocurrency-related issues’ (18%), for example:

“Our cryptocurrency was stolen and we lost all our investment. Still trying to get some money back but unlikely after 17 months.” (female, moderately experienced investor)

“I was threatened by my bank to freeze my assets for depositing on a crypto website.” (male, recent investor)

“Unable to move money around from the wallet without having to transfer everything to the bank.” (female, recent investor)

- ‘scam attempts’ (6%), for example:

“Kept calling, texting and emailing me.” (male, moderately experienced investor)

“Lots of scammer calls.” (male, recent investor)

- ‘funds being stolen or having gone missing’ (5%), for example:

“Sent money between accounts and it didn’t transfer however the funds were taken.” (male, recent investor)

“Transferring money to investment sites and having it go missing.” (male, most experienced investor)

- a range of ‘other concerning issues’ (12%), for example:

“Once my funds were frozen.” (female, moderately experienced investor)

“A good while ago, I lost most of my superannuation to a company that was trading while insolvent.” (male, most experienced investor)

“Dishonest and misleading information on websites about possible investments.” (male, most experienced investor).

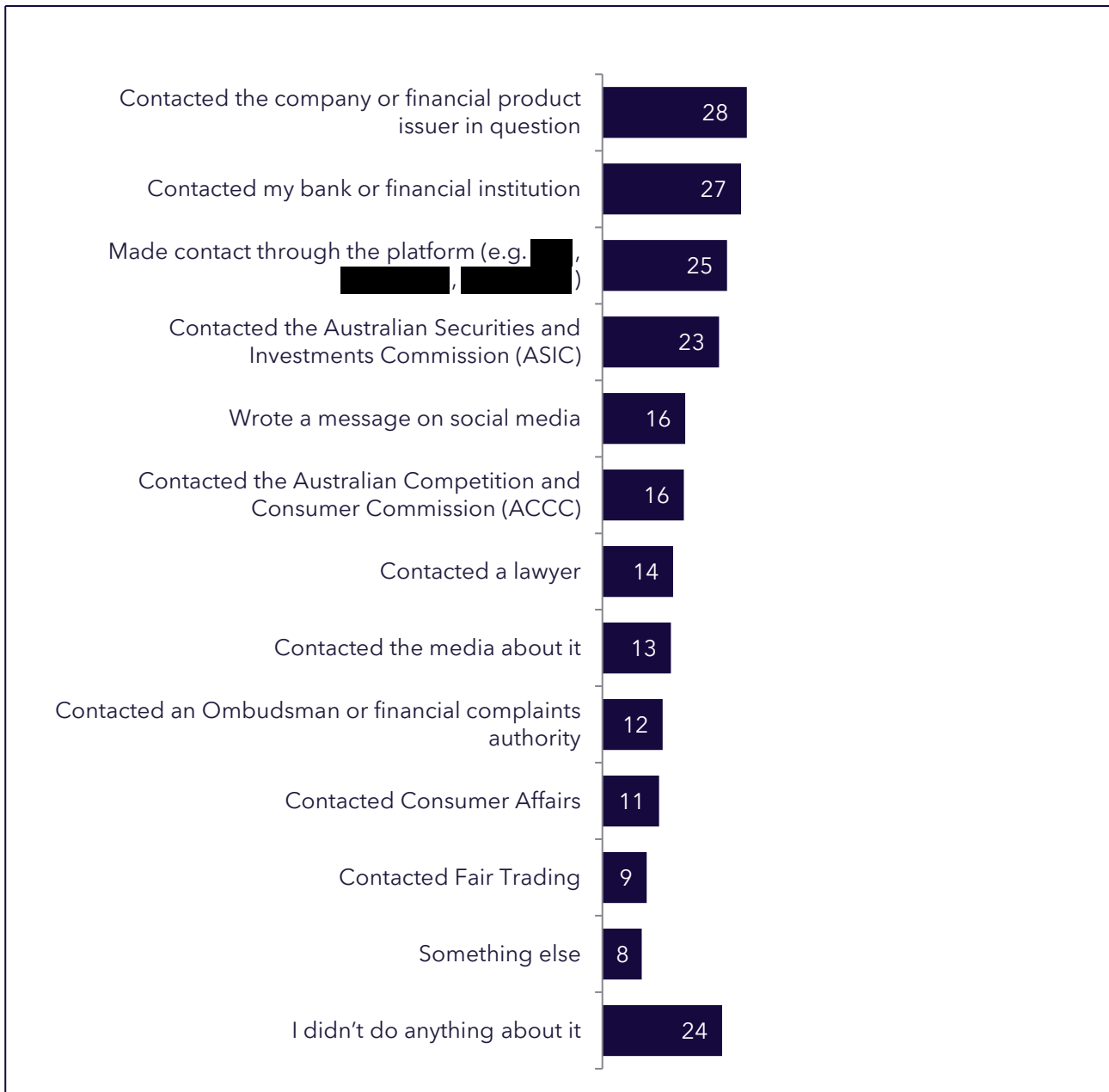
6.2.1 Who investors turned to or what they did after experiencing a concerning issue when investing or doing a trade

Those survey participants who reported experiencing a concerning issue when investing or doing a trade were asked to indicate, from a list of options, who they turned to or what they did

⁴⁰ As above, survey participants may have been unaware and/or reluctant to provide details of some concerning issues they had experienced.

after they experienced the issue. The most common actions taken by these investors were contacting the company or financial product issuer in question (cited by 28%), going to their bank or financial institution (27%), making contact through the platform they made the trade with (25%), and contacting ASIC (23%). Nearly a quarter (24%) said they did not do anything about the issue. See Figure 29.

Figure 29: Who investors turned to or what they did after experiencing a concerning issue when investing (%)



Q38. Who did you turn to or what did you do after you experienced this issue? (Multiple response) // Base: those who have experienced an issue while investing (n=69).

Very few (only a couple) of focus group participants said they had experienced an issue they perceived to be concerning while investing. Few investors expressed certainty in how they would deal with a concerning investment issue should it arise, for example: "I don't know what I would do, like how to even approach it" (male, most experienced investor).

Observed across both the recent investors and the most experienced investors in the focus groups, some believed that the consequences of investment decisions rest with the individual. One investor expressed this as *"if you get ripped off you live with it. That's the way the system works"* (male, most experienced investor), while another said *"it's just a game, people just know how to play it... we're just taking a risk"* (female, most experienced investor).

Appendix

Appendix 1: Key terms

Key terms

Definitions for key terms used in the report are set out below.

ACCC	Australian Competition & Consumer Commission.
APRA	Australian Prudential Regulation Authority.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
ATO	Australian Taxation Office.
AUSTRAC	Australian Transaction Reports and Analysis Centre.
Australian shares	Shares traded on a licensed Australian financial market.
Average	'Average' figures (and references to 'on average') relate to the statistical mean.
CFR	Council of Financial Regulators.
Contracts for difference (CFDs)	A leveraged derivative contract, not able to be traded on a licensed market, that allows a client to speculate on the change in value of an underlying asset.
Cryptocurrencies	A type of digital currency allowing people to make payments directly to each other through an online system. They do not exist physically as coins or notes, but as digital tokens stored in a digital 'wallet'. These digital tokens rely on cryptography and technology such as blockchain for security and other features.
Derivatives	A financial product whose value is determined, derived from, or varies by reference to the value or amount of something else (of any nature whatsoever and whether or not deliverable) - including, for example, an asset, a rate (including an interest rate or exchange rate), an index or a commodity.
Exchange traded funds (ETFs)	Managed funds that can be bought and sold on an exchange such as ASX. ETFs generally track the value of an index such as the S&P/ASX 200 or other assets such as a commodity. The value of the ETF rises or falls with the index or asset that it tracks.
Exchange traded options (ETOs)	Derivatives that are traded on an exchange that give you the right, not an obligation, to buy or sell an underlying security such as a share, at a predetermined price on or before a predetermined date.
Financial influencers	Social media influencers who discuss financial products and services online.

Futures	Legally binding contracts to buy or sell a particular asset, currency or other index, for a specified price on a specified future date.
Gold or silver	Commodities that are precious metals.
Government or corporate bonds	Financial products that are issued by governments and companies which pays a regular, fixed interest amount for the term of the investment. The invested funds (the principal) are repaid at the end of the term (maturity).
Hybrid securities	A financial product that combines features of debt and equity securities and generally pays a fixed or floating rate of return until a specified date. In some cases, they can be converted into shares in the issuing company. Includes convertible notes, preference shares and capital notes.
International shares	Shares that are not traded on a licensed Australian financial market such as the New York Stock Exchange.
Listed investment companies (LICs)	An investment that is incorporated as a company and listed on an exchange such as ASX. Many LICs operate like a managed fund and have an external or internal fund manager, who selects and manages the company's investments.
Margin foreign exchange	A CFD that references currency pairs.
Market linked notes	Debt instruments whose value and performance depends on the movements of a particular market, such as equities or currencies.
Moderately experienced investors	In the quantitative survey, moderately experienced investors were defined as those who started investing before March 2020 but less than five years ago.
Most experienced investors	In the quantitative survey, the most experienced investors were defined as those who started investing five years ago or more.
Net	Throughout the quantitative findings, 'net' has been used where responses that are similar in nature have been grouped into one overarching theme (e.g. 'somewhat agree' and 'strongly agree' is shown as 'net agree').
Other investment property	Real estate that is not a residential investment property.
'Prompted' and 'unprompted' responses	Throughout the quantitative survey, 'prompted' responses identify questions where participants were offered a list of choices to select from, while 'unprompted' questions allowed for participants to provide verbatim responses that were subsequently coded into common themes.
RBA	Reserve Bank of Australia.

Real estate investment trusts (REITs)	Trust funds listed on a securities exchange and managed by an investment manager who may invest in a specific type of property such as residential, industrial, office buildings, shopping centres or hotels, or in a diversified portfolio of real estate assets either in Australia or overseas.
Recent investors	In the quantitative survey, recent investors were defined as those who started investing during or after March 2020 (i.e. since COVID-19 first had a significant impact in Australia).
Residential investment properties	Real estate owned other than one's primary place of residence.
Retail investor	An investor that does not satisfy one of the requirements to be classified as a wholesale client under the <i>Corporations Act 2001</i> . For the purposes of this research, investors were classified as retail investors if they had personally invested or traded (bought or sold) in any of the following since March 2020: Australian shares, international shares, ETFs, bonds, margin foreign exchange, cryptocurrencies, hybrid securities, CFDs, market linked notes, ETOs, futures, warrants, or gold or silver. Trades must have been made directly by the investor, such as via a trading platform, rather than on the investor's behalf by a financial planner or other third party.
Securities	Investments, such as shares or bonds, that can be traded in financial markets.
Self-managed superannuation fund (SMSF)	An SMSF is sometimes referred to as a 'do it yourself (DIY) super fund'. An SMSF is a private superannuation fund that has no more than six members. You manage it yourself. SMSFs are different to industry and retail super funds.
Term deposits	An account with a financial institution where money is deposited for a set period. The interest rate is usually fixed for the term of the deposit.
Trading or investing	Throughout the quantitative survey, 'trading' and 'investing' were defined as personally buying and selling various financial products, such as through a trading platform, rather than trades made on behalf of investors by a financial planner or other third party.
Trading platform	An administrative system that allows investors to make investments in financial products, such as shares, currencies, commodities and derivatives.
Unlisted managed funds	A managed investment scheme not listed on a public market.
Warrants	A financial product issued by a bank or other financial institution that gives you the right to buy shares (or currency, an index, or a commodity) at a set price within a specified time.

Appendix 2: Detailed methodology

The approach taken for this study was a mixed-method programme of qualitative and quantitative research with Australian retail investors aged 18 or over.

Phase 1: Qualitative research (August 2021)

The research commenced with a qualitative phase to begin to explore some of the behaviours, attitudes, motivations and sources of influence among retail investors. The qualitative phase was primarily used to inform the design of the quantitative survey, and relevant findings were also included throughout this report to supplement or enhance the survey results.

Participants for the qualitative research were recruited by professional recruitment agency, Research Connections. A two-staged approach was undertaken for the qualitative fieldwork:

- 1) an online community platform with 26 retail investors from across Australia. Participants were required to complete several short tasks via the platform, prior to attending a focus group; and
- 2) four focus groups with 22 retail investors (randomly selected from the 26 participants in the earlier online community), split by gender, age and period of time investing. Groups were conducted via video conferencing facilities.

See Appendix 3 for a copy of the online community pre-tasks and the focus group discussion guide.

Pre-work via online community

The online community pre-work tasks were conducted over four days between the 13 and 16 August 2021. Participants completed the tasks via the Recollective platform. The client (ASIC) was disclosed to participants in the online community.

The online community tasks included:

- open-ended questions asking investors to describe their current life stage and priorities;
- an image-selection task capturing how investors felt about investing and trading;
- a task requiring participants to draw their 'world of finance and money'; and
- a card-sorting task in which investors selected cards describing their approach to investing from a prompted list.

The participants were segmented by period of time investing. Recent investors were defined as those who had started investing in the past 18 months (since March 2020 - that is, the start of COVID-19 impacting Australia). The most experienced investors were defined as those who had started investing at least five years ago.

In total, 26 participants completed the pre-work tasks and, of these, a random selection of 22 participants were selected to participate in the subsequent focus groups.

Participants in the online community were paid an incentive according to their years of investing experience. Recent investors received \$70, and most experienced investors received \$85 for their time for completing the pre-work task, in line with market research industry practices. Incentives for those who went on to participate in the focus groups are detailed in the section below.

Exploratory focus groups

Four focus groups were conducted with retail investors from across Australia on the 18 and 19 August 2021. Each group ran for 1.5 hours via video conferencing facilities, rather than in-person due to COVID-19 restrictions at the time. The groups were split by gender, age and period of time investing, as shown in the Table 6 below.

Table 6: Focus group segmentation

Group	Age	Number of participants (n=)	Period of time investing
Group 1: Female, 'recent investors'	20-34 years	6	Started investing in the past 18 months*
Group 2: Male, 'most experienced investors'	35-65 years	5	Started investing 5 years ago or longer
Group 3: Male, 'recent investors'	20-34 years	5	Started investing in the past 18 months*
Group 4: Female, 'most experienced investors'	35-65 years	6	Started investing 5 years ago or longer

* 'Started investing in the past 18 months' meant since March 2020 (i.e. when COVID-19 first had a significant impact in Australia)

To qualify for the focus groups, all participants were required to have made at least one transaction (trading securities, derivatives, or cryptocurrency) within the past 12 months, and half of the sample were required to have checked their portfolio at least once every quarter, while the other half were required to have checked it at least monthly. In addition, participants were recruited to have an appropriate mix of portfolio composition (Australian shares, international shares, ETFs, etc.) and size. Table 7 below shows the sample profile of the focus groups participants.

Table 7: Focus group sample profile (n=22)

Category	n=	Category	n=
Gender		Employment status	
Male	10	Full-time	10
Female	12	Part-time	3
Age		Casual	2
20-34 years	11	Retired	4
35-65 years	11	Self-employed	2
Location		Home duties	1
VIC	7	Investment portfolio*	
NSW	6	Less than \$50,000	6
QLD	5	\$50,000-\$200,000	9
SA	2	More than \$200,000	7
ACT	1	SMSF investment	
Years of investing experience#		Yes	2
Recent investors	11	No	9
Most experienced investors	11	Not applicable	11

Recent investors were defined as those who have started investing in the past 18 months. Most experienced investors were defined as those who had started investing five years ago or more.

* Investment portfolio worth in Australian dollars, excluding superannuation (unless it was an SMSF), home and any investment properties.

Participants were paid an incentive according to their years of investing experience. Recent investors received \$190 and the most experienced investors were paid \$240 if they completed both the online pre-work and a focus group, in line with market research industry practices.

It is important to note that nearly half of the most experienced investors in the focus groups were close to or at retirement. In addition, most of the most experienced investors had been investing for decades rather than a few years and could be reasonably described as seasoned practitioners within this category.

The client (ASIC) was disclosed to participants in the focus group introduction (see Appendix 3 for a copy of the focus group discussion guide).

Phase 2: Quantitative research (November 2021)

A nationally representative online survey was conducted with 1,053 retail investors aged 18 years or over between 19 and 30 November 2021. This included a preliminary pilot survey of 33 interviews to ensure the survey was working correctly. Pilot survey data was retained within the main sample of 1,053. Online participants were sourced via CanvasU – a commercial provider of research sample which draws from a range of opt-in panels and databases. See Appendix 3 for a copy of the quantitative questionnaire.

Survey quotas were set by age, gender and location using ABS Census data to ensure the overall sample was representative of the Australian population. To qualify for the survey, all participants were required to have personally invested or traded (bought or sold) any of the following since March 2020:

- Australian shares;
- international shares;
- ETFs;
- bonds;
- margin foreign exchange;
- cryptocurrencies;
- hybrid securities;
- CFDs;
- market linked notes;
- ETOs;
- futures;
- warrants; or
- gold or silver.

Among participants who had an SMSF, active trading in an SMSF was considered to be personally buying and selling various financial products, rather than trades being made on their behalf by a financial planner or other third party.

Using a combination of ABS Census proportions by age, gender and location and the incidence of retail investors in Australia (i.e. based on survey screening data), weights were calculated and applied to the survey data. Weighting proportions are provided in Table 8 below. One in three online survey panellists qualified for the survey, suggesting that approximately 33% of Australians aged 18 or over had traded since March 2020.

Table 8: Weighting factors used

Gender by age		
	%	%
	Male	Female
18-34	23.2	13.0
35-54	26.9	14.4
55 and over	13.6	9.0

State by regional and metro		
	%	%
	Metro	Regional
NSW	33.4	6.2
QLD	9.5	6.1
VIC	22.8	4.6
ACT	0.0	1.6
SA	3.8	0.8
WA	8.0	1.7
NT	0.4	0.0
TAS	0.9	0.2

Participants with a range of years of investing experience were included in the survey, defined as follows:

- **recent investors:** those who started investing during or after March 2020 (i.e. since COVID-19 first had a significant impact in Australia);
- **moderately experienced investors:** those who started investing before March 2020 but less than five years ago; and
- **most experienced investors:** those who started investing five years ago or more.

Additional sampling profiles, including a profile of the three years of investing experience segments, is found in Table 9.

Table 9: Years of investing experience segment profile (weighted %)

	Total (n=1,053)	Recent investors (n=481)	Moderately experienced investors (n=182)	Most experienced investors (n=390)
Gender				
Male	64	61	67	66
Female	36	39	33	34
Age				
18-34	36	51	36	11
35-54	35	39	51	39
55 and over	19	9	13	50
Location				
NSW	40	42	42	33
QLD	16	15	11	18
VIC	27	26	26	31
SA	5	4	5	5
WA	10	8	11	11
Other	3	4	5	1

	Total (n=1,053)	Recent investors (n=481)	Moderately experienced investors (n=182)	Most experienced investors (n=390)
Highest educational attainment				
Postgraduate degree	22	20	26	22
Undergraduate degree	33	34	38	30
Diploma or Advanced diploma	12	11	8	15
Certificate III or IV	14	16	14	12
Secondary school	13	12	10	16
Primary school education	6	6	3	6
Employment status				
Working full-time	57	60	66	45
Working part-time	15	17	12	13
Working casually	4	4	5	3
Self-employed or business owner	6	5	7	8
Not currently working	9	9	8	8
Student	3	5	3	0
Retired	9	3	3	23
Personal annual income				
Less than \$50,000	26	30	18	26
\$50,000-\$99,000	36	39	39	31
\$100,000 and over	32	26	40	36
Prefer not to say	6	6	3	7
Rent or home ownership				
I pay rent or board	34	45	34	16
I own the home outright and do not have a mortgage	32	23	25	51
I'm paying a mortgage on the home	32	30	38	33
Other (please specify)	2	3	3	0
Indigenous status				
Yes - Aboriginal	4	4	8	3
Yes - Torres Strait Islander	1	2	2	0
Yes - Aboriginal and Torres Strait Islander	2	2	3	1
No	92	91	87	97
Prefer not to say	1	2	1	0
Speak a language other than English at home				
Yes	24	28	31	15
No	76	72	69	85
Household or family invest in financial products				
Yes	35	33	45	34
No	65	67	55	66
Have an SMSF				
Yes	26	27	23	27

	Total (n=1,053)	Recent investors (n=481)	Moderately experienced investors (n=182)	Most experienced investors (n=390)
No or unsure	74	73	77	73
Actively trading in financial products as part of SMSF				
Yes	23	23	23	23
No	77	77	77	77

Note: purple shading = significantly higher than all other segments, orange shading = significantly lower than all other segments

Participants were informed at the beginning of the survey that the survey was 'seeking the views of Australian adults about investing'; however, ASIC was not revealed as the organisation who had commissioned the research until the end of the survey. This was to obtain an accurate measure of unprompted awareness of financial regulators in Australia.

Important research caveats

Margin of error

The online survey yielded a large and highly representative sample of Australian retail investors with an overall margin of error of $\pm 3\%$ at the 95% confidence level. Table 10 below shows the margin of error of various segments of the sample. A margin of error refers to how many percentage points a result may differ from the real population value. For example, a 95% confidence interval with a 3% margin of error means that a result will be within three percentage points of the real population value 95% of the time.

Table 10: Quantitative survey sample profile and associated margin of error

	Unweighted %	Number of participants (n=)	Margin of Error % (+/-) at 95% confidence level
Gender			
Male	47	500	4.4
Female	52	550	4.2
Age			
18-34	29	309	5.6
35-49	34	358	5.2
50-64	20	210	6.8
65 and over	17	176	7.4
Years of investing experience			
Recent investors	46	481	4.5
Moderately experienced investors	17	182	7.3
Most experienced investors	37	390	5.0
Total	100	1,053	3.0

Reading the statistical charts and tables

Results may not always total 100% due to rounding. For multiple response questions, the results may add up to more than 100% as participants may have given more than one answer.

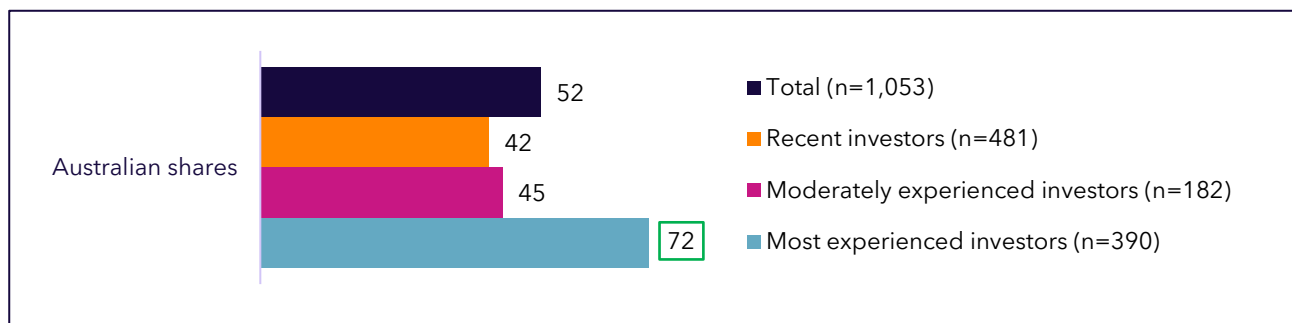
To ensure data reliability, results are typically only shown when the sample sizes are at least n=30.

Significance testing has also only been conducted on sample sizes at least n=30 or above.

Statistically significant differences (at the 95% confidence level) between segments based on their years of investing experience are shown using a **green box** (significantly higher) or a **red box** (significantly lower) around the relevant percentage. Significant differences on charts indicate when one segment is significantly higher or lower than the combined (or net) of the other two investor segments. For example, the chart below shows that 72% of the most experienced investors first invested in Australian shares, which was significantly more than other investors (i.e. recent investors and moderately experienced investors, considered as a collective group).

Where relevant, the commentary within the report presents statistically significant differences between segments at a more granular level than on the charts (e.g. between most experienced investors and recent investors, or between most experienced investors and moderately experienced investors).

Image 2: Example figure showing how statistically significant differences are presented on charts (using the example of investors' first investments)



Participant quotes

Verbatim comments from the qualitative research phase have been included throughout the report. Where necessary, quotes have been edited to ensure correct grammar, however the words or meaning of the quote remain unchanged.

Research constraints

All research has constraints and limitations. In this research:

- the data collected was self-reported and therefore, like all self-reported data (e.g. surveys, focus groups, interviews), represents the subjective accounts of the participants. These accounts can be affected by:
 - natural **behavioural biases**, such as social desirability bias and present bias. Certain behavioural biases (or behavioural factors) may be especially influential within an investing context (e.g. overconfidence and/or overoptimism, social norms and social proof, loss aversion, commitment bias, and information overload).
 - **memory constraints** and recall bias. For example, participants were asked to provide specific details about their investment portfolios and their trading activity over the past 18 months (approximately).
- fieldwork was conducted during the ongoing COVID-19 pandemic, a time of rapid social and economic change, and must be interpreted in this context - see the 'Market context at time of fieldwork' section above for further details. Due to **pandemic-related restrictions**, the focus groups were conducted online rather than face-to-face, which may have influenced the group dynamics.

Terminology

Throughout the survey, 'trading' and 'investing' were defined as personally buying and selling various financial products, such as through a trading platform, rather than trades made on behalf of investors by a financial planner or other third party. For investors with an SMSF, the survey asked that they include any trades directly made in the SMSF.

'Prompted' responses identify questions where participants were offered a list of choices to select from, while 'unprompted' questions allowed for participants to provide verbatim responses that were subsequently coded into common themes.

Throughout the report the term 'net' has been used where responses that were similar in nature have been grouped into one overarching theme (e.g. 'somewhat agree' and 'agree strongly' is shown as 'net agree').

See Appendix 1 for key terms.

Appendix 3: Research materials

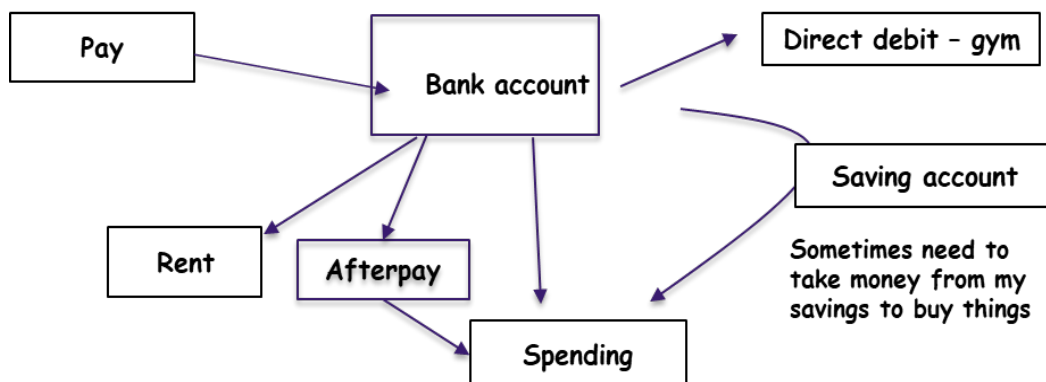
Online community pre-tasks

Task 1: Introduction: tell us about yourself – age, household up set up. How would you describe your life stage at the moment, what matters to you, what are your priorities?

Task 2: Images: for this task we would like you to upload 3-5 images that capture how you **feel** about investing and trading – be as imaginative as possible in your selection of images.

Why did you choose these images? (Further follow-up probing as appropriate)

Task 3: Picture exercise: for this task you need to get a blank sheet of paper and draw out 'your world of finance and money'. In this picture draw all things that feature in your world; this could include your sources of income, salary, bank accounts, loans, ways to pay, investments, shares etc. Also include arrows to show if/how these things are interlinked. Below is an example from someone with quite a simple financial set up. When you have finished, please scan or take a picture and upload it to the forum (with a sentence or two to explain your set up.). You do not need to share the amount or value of any of your financial investments.



Task 4 Card sort: Pick three cards which best represent your approach to investing overall (each option will be displayed on Recollective as cards)

- STRATEGICREACTIVE
- IMPULSIVE.....PLANNED
- ACTIVE.....PASSIVE
- LONG TERM.....DAY TRADER
- FOLLOW THE MARKET CLOSELY.....SET AND FORGET
- SAFE.....RISKY

Why did you choose these three cards?

Qualitative focus group discussion guide

Time	Objective	Questions
10 mins	Introduce research purpose, overview of the session, participant introductions	<p><u>Moderator welcome</u></p> <ul style="list-style-type: none"> • Welcome everyone and thank you for coming along to participate in tonight’s focus group. Introduce self, note taker and any observers. • Newgate Research is an independent market and social research company, we conduct research on behalf of clients across many different categories for example, energy, health and transport. In this instance our client is ASIC, the Australian Securities and Investments Commission - a government agency. • Your participation is confidential, and no participants will be identified by name in our report. Newgate Research is a member of the market research industry associations and operates under strict privacy laws. • Having said this, we are recording this discussion to make sure our report accurately captures your views. The recording will not be made public or provided to any third parties outside of Newgate Research or our client. • We will not ask you to nor are we interested in the value of your portfolio or different investments. We are interested in your approach to investing and how you feel about it. <p><u>Introduction to the focus group method</u></p> <ul style="list-style-type: none"> • This is not a question-and-answer session, it is an open discussion and there are no right or wrong responses. Our purpose is to understand your experience, needs and expectations. I also want to recognise that we are all different in how we think and feel, our level of knowledge and experience and how we approach investing. It is valuable for me to understand those differences, so please speak up if you think about things differently to everyone else. • Online groups - can I also ask that everyone has a pen and paper ready as I will ask you to write a few things down individually before we discuss them as a group. • F2F group – as above with post it notes. <p><u>Participant introductions</u></p> <ul style="list-style-type: none"> • Thank you so much for participating in the pre tasks, this was very helpful in getting to know you better. • Now I would like you to get to know each other, I will ask each of you to introduce yourselves; <ul style="list-style-type: none"> ○ Your name, age, occupation, household set up. ○ Reflecting on your pre tasks, how would you describe how you feel about investing and trading; sum yourself up in one sentence. ○ Moderator to probe; How would you describe yourself when it comes to investment and trading, what language would you use? • As a group – what verb would we use, are we <i>investing</i> or <i>trading</i>... or something else? (<i>Moderator to note the terminology they use and continue in this vein</i>)

Time	Objective	Questions
25 mins	Understanding their approach to investing and trading in the context of their lives	<p><u>Investment priorities</u></p> <ul style="list-style-type: none"> • I want to start by understanding more about why you started investing/trading. When did you start, and what were the reasons? <i>Moderator to probe all possible reasons.</i> • Experienced investors: has this changed over time and, if so, how? • If you were to sum up to someone like you <u>why one should invest or trade</u>, what would you tell them? <i>Moderator to listen out for the overarching reason, is it because only way to get a return or in of itself has a reward or other reasons?</i> <p><u>Approach to investing and trading</u></p> <p>Now I want to understand more about your approach to investing and trading.</p> <ul style="list-style-type: none"> • Funding – thinking back to your pre-task picture, how connected is your investments/trades to the rest of your finances? <i>Moderator to probe; is the money siloed off, are there connections to superannuation or savings, how much does the investment/trading money flow in and out, where do the funds come from?</i> <ul style="list-style-type: none"> ○ Probe about borrowing to invest (if comfortable and not raised unprompted) • Investor mode – if you had to describe your typical approach to investing and what you invest in, what words would you use to describe your approach? • Does your approach differ depending on the investment type/financial product (e.g. ETF vs Bonds), if so, what is the reason for this? • Portfolio mix – now I want to talk about specific investments, how would you personally describe what you’re investing in? If you can please write on a post-it note/paper a summary /overview of what you own. <i>Moderator to go around the group and get response from every participant.</i> • As a group – what would your advice be to someone like you on <u>how they should invest or trade</u>? <i>Moderator to note references to diverse portfolio, probe; what constitutes a diverse portfolio in their minds?</i> <ul style="list-style-type: none"> ○ Probe into the ‘diversification’ aspect based on their portfolio mix from the financial picture task - diversification within their total portfolio of investments and diversification within trading. • Is there anything that you would not invest or trade in, and if so, why is that? <ul style="list-style-type: none"> ○ Is there anything that would change your mind? • Investment platforms – what tools or platforms exist that enable people to trade or invest? <i>Moderator to note all platforms mentioned. What, if anything, are the differences between platforms? Has the number increased recently, and if so, what impact has this had? What platform are you using to trade now, and why?</i>

Time	Objective	Questions
15 mins	<p>Understanding the underlying motivations and drivers around investing</p> <p>Exploring attitude to risk and loss</p>	<p><u>Investment persona</u></p> <ul style="list-style-type: none"> • Now I want to reflect on how we feel about investing/trading – I have compiled the images you uploaded into a mood board, as a group when we look at this board what do we see? Look at your own and any others that you relate to and any others that don't resonate with you. <ul style="list-style-type: none"> ○ For the experienced investor group: what motivators/drivers may have changed for you in the last 18 months • <i>Moderator to probe; what emotions exist e.g. excitement, fear, playful, thoughtful, deliberate etc. Do they see it as long-term vs. short-term? How much it reflects them as people, could this be a mood board for them outside of investing/trading? And to call out what differences exist, if any, across the group?</i> <p><u>Attitude to risk and loss</u></p> <ul style="list-style-type: none"> • Now I want to build on this via an exercise, a word association game. I am going to put up a word on the screen/whiteboard and I want you to write down your reaction to this word. <i>Moderator to show each word in turn and gather response.</i> <ul style="list-style-type: none"> ○ RISK ○ LOSS • Risk – <i>moderator to probe, what constitutes a risk in their mind, do they understand what might lead to risk, are they aware of riskier trades/investments?</i> • Loss – <i>moderator to probe degree to which they are willing to accept loss as part of their investments, have they experienced any losses, to what degree are they prepared to make a loss/have made a loss and what is the scale of that loss?</i> <p>(Define loss with the participants: is it losing their capital or is it not making as much as they would in an alternative type of investment or both)</p> <p><u>Risk appetite/loss tolerance across different product classes</u></p> <ul style="list-style-type: none"> • We have talked generally about risk and loss, Does the scale of loss you are prepared to bear differ between different investments you have made? <i>Moderator to probe when/where is risk more acceptable, do any product classes assume a higher level of risk and how do they feel about this?</i> <ul style="list-style-type: none"> ○ Experienced investor group: has your attitude changed in the last 18 months?

Time	Objective	Questions
25 mins	Sources of information and awareness of different types of 'advice' that exists	<p><u>Sources of information</u></p> <ul style="list-style-type: none"> • Thinking about the past few months, where have you noticed seeing or hearing investment information/ideas/guidance? Anywhere new or unexpected? • Do you seek out information about investments? • Where do you go? <i>Moderator to probe all sources, to explore degree to which social media is used, and paid vs unpaid sources Do you go to different sources of information for different investment types?</i> <ul style="list-style-type: none"> ○ What do these sources provide you? ○ [prompt if not raised by paid/unpaid prompt] do you seek professional financial advice about investing? • What constitutes a 'good' source of information, how do you know it is a 'good' source of information or advice, what specifically do you look for? <i>Moderator to probe what constitutes a trusted or credible source of information/advice, do they have any criteria for making this judgement, do they look for anything specific? Do historical returns play a part?</i> • Are there any sources of information that you would avoid, and if so, why? • Has your experience of getting information or advice changed over time and, if so, how? <i>Moderator to probe if they think there is more information/advice available, how they filter or navigate the proliferation?</i> <p><u>Attitude to specific types of information sources</u></p> <ul style="list-style-type: none"> • If not mentioned, can you give me your viewpoint on the following as sources of financial information; <ul style="list-style-type: none"> ○ TikTok ○ Reddit ○ Instagram / Facebook / YouTube ○ Investing podcasts ○ Financial influencers ○ Indirect investment information (e.g., ads which appear in your feed) • <i>Moderator to probe any pro's or con's around each of these, specifically looking to see if there is anything people have found useful e.g., accessibility, fun of being in a group etc.</i>

Time	Objective	Questions
		<p><u>Awareness of challenges around financial information and advice</u></p> <ul style="list-style-type: none"> • Now I would like to do a word play around the world of financial information and advice – for each of these I want you to tell me your first thoughts. I am especially interested if any of these are familiar to you or not, if you don't know what the term means in the context of investing and trading that is good to know. <i>[Moderator to randomise the presentation order]</i> <ul style="list-style-type: none"> ○ UNLICENCED ADVICE ○ CONFLICTS OF INTEREST ○ VERTICALLY INTEGRATED ADVICE ○ PAID FOR COMMENTARY ○ PUMP AND DUMP SCHEMES ○ ACTIVIST SHORT SELLERS ○ PONZI SCHEMES <p>Prompted: If participants are unaware, moderator to read out a short description to sum up the issue with unlicensed advice, paid for commentary, conflicts of interest or people seeking to subvert the market for gain.</p> <ul style="list-style-type: none"> • Now having heard more about these issues, how do you feel? <ul style="list-style-type: none"> ○ Do you have any outstanding questions/concerns? ○ Does it make any difference on how you would go about investing/trading in the future? <p><i>[Probe for any investing scams they've heard of (unprompted) and any investing 'war stories' that they've been told]</i></p>
15mins	<p>Awareness of safeguards in place and regulatory safety net</p> <p>Awareness of and knowledge around ASIC's role</p> <p>What role do they want ASIC to play going forward</p>	<p><u>Safeguards in place</u></p> <ul style="list-style-type: none"> • Thinking about the broader system now, when you are investing, what sort of rules and laws do you assume are in place when you're investing? • What type of safeguards are in place currently? <i>Moderator to probe fully if people are aware of any safeguards or protections in place</i> <p><u>Regulators</u></p> <ul style="list-style-type: none"> • Are you aware of any financial regulators? <i>[If ASIC is raised unprompted explore if they know what ASIC does / what is their role]</i> • Probe which ones they can name unprompted • For those that were named, probe what they have heard/know about them • Probe for any awareness of regulators overseas and any assumptions about regulation across borders • (If it hasn't already come up) ask if they've ever seen a warning about an investment (probe if they remember who it was from, what it was about, whether they did anything in response to it). • Who would you go to if something goes wrong?

Quantitative questionnaire

LANDING PAGE (0.25 minute)

Thank you for your interest in the survey, which is seeking the views of Australian adults about investing. The name of the organisation conducting the research will be revealed at the end of the survey.

This survey should take you about 15 minutes to complete, depending on your responses.

Use your mouse to 'click' the relevant circles or boxes and mark your selections. Some questions require you to type your answers in the space provided.

Please remember:

- None of the responses you give will be directly linked to you as an individual. They are used for statistical purposes only.
- To see the privacy statement, click the link at the bottom of the screen.
- To begin the survey, click on the NEXT button below.
- When you have completed all questions on the screen, click the NEXT button to proceed to the next page.
- If you need to return to the survey later, close the webpage. The next time you click on the invite link, it will automatically take you back to the question you were up to.

SCREENING AND QUOTA QUESTIONS (3 min)

NOTE TO CANVASU: WE WANT TO RETAIN SCREENED OUT DATA IN THE MAIN DATA FILE TO ASSIST WITH WEIGHTING

Firstly, a few questions to make sure we have a good mix of people in our survey.

Q1. Do you identify as...?

IF CODE 3 SELECTED THEN RANDOMLY ASSIGN TO CODE 1 OR 2 FOR WEIGHTING PURPOSES ONLY

	Select one
Male	
Female	
I identify as something else	

Q2. Please enter your age

**AUTOCODE AGE BAND
NUMERIC RESPONSE. RANGE 1 TO 120**

Enter age (years)
<ol style="list-style-type: none"> 1. Under 18 [TERMINATE] 2. 18 to 24 3. 25 to 29 4. 30 to 34 5. 35 to 39 6. 40 to 44 7. 45 to 49 8. 50 to 54 9. 55 to 59 10. 60 to 64 11. 65 to 69 12. 70+

Q3. Please enter the postcode where you live

ALLOW FOUR DIGITS, AUTOCODE TO STATE AND LOCATION

--

Q4. Have you ever worked, or does a member of your immediate family work in any of the following sectors?

Please select all that apply to you.

	Select all that apply
Media, journalism, or public relations	
Market / social research [TERMINATE]	
None of the above	

Q5. Which of the following best describes the highest level of education that you have personally reached?

Postgraduate degree / qualification	
Undergraduate degree	
Diploma / Advanced diploma	
Certificate III/IV	
Completed secondary school	
Some secondary school	
Primary school education	
Other	

NEW PAGE: Please note: this survey will ask you about a range of financial products and associated behaviours. Please be assured that this survey is completely confidential – none of your responses can be linked to you in any way and will never be used for any purpose other than this research project. We will not ask you for any personal information, such as your account details, name, and address etc., to protect your privacy and security.

NEW PAGE

Q6. Have you personally invested or traded (bought or sold) in any of the following since March 2020?

By this we mean trades you have directly made, such as via a trading platform, rather than trades made on your behalf by a financial planner or other third party. If you have a self-managed superannuation fund (SMSF), please include any trades you have directly made in your SMSF.

Please select all that apply to you.

IF NO FOR ALL OPTIONS THANK AND CLOSE

	Yes	No
Australian shares		
International shares		
Exchange Traded Funds (ETFs)		
Bonds		
Margin foreign exchange		
Cryptocurrencies		
Hybrid securities		
Contracts for difference		
Market linked notes		
Exchange traded options		
Futures		
Warrants		
Gold or silver		
Investment property [IF ONLY OPTION SELECTED YES FOR THEN CLOSE]		
Other (specify)		

Q7. When did you first start investing in any of these financial products?

PIPE IN OPTIONS SELECTED AT Q6 BUT NOT 'INVESTMENT PROPERTY'

	Select one
Less than 6 months ago	
6 months to less than 12 months ago	
12 months to less than 18 months ago	
18 months to less than 2 years ago	
2 years to less than 5 years ago	
5 years to less than 10 years ago	
10 years ago or more	

Q7a. [ASK IF SELECTED CODE 4 (18 MONTHS-LESS THAN 2 YEARS) AT PREV Q]

Did you start investing before or after March 2020, when COVID-19 first had a major impact in Australia?

	Select one
I started investing before March 2020	
I started investing during or after March 2020	

FOR ANALYSIS PLEASE CREATE THE FOLLOWING HIDDEN VARIABLE

EXPERIENCE LEVEL	SPEC
<ul style="list-style-type: none"> Recent investors = started invested during or after March 2020 	Q7=1 OR 2 OR 3 OR Q7A=2
<ul style="list-style-type: none"> Moderately experienced = started investing before March 2020, but less than 5 years ago 	Q7A=1 OR Q7=5
<ul style="list-style-type: none"> Most experienced = started investing 5 years ago or more. 	Q7=6 OR 7

Q7b. Do you have a self-managed super fund (SMSF)?

	Select one
Yes	
No	
Unsure	

Q7c. IF HAVE A SELF MANAGED SUPER FUND AT Q7B (YES)

You mentioned you have a self-managed super fund (SMSF). SMSFs are sometimes referred to as 'Do it yourself (DIY) super funds'. An SMSF is a private super fund that has no more than six members. You manage it yourself. SMSFs are different to industry and retail super funds. More info: [<https://moneysmart.gov.au/how-super-works/self-managed-super-funds-smsf>]

Just to confirm, have you joined or set up an SMSF?

	Select one
Yes I have an SMSF	
No I do not have an SMSF	
Unsure	

Q7d. IF HAVE A SELF MANAGED SUPER FUND AT Q7C (YES) And are you actively trading in financial products such as shares, ETFs, bonds, cryptocurrency etc. as part of your self-managed super fund?

	Select one
Yes	
No	

NOTE TO CANVASU: FROM HERE ON WE WILL CLASSIFY PEOPLE AS ACTIVELY TRADING IN AN SMSF IF THEY ARE IN Q7D (YES) – EVERYONE ELSE WILL BE CONSIDERED TO NOT BE DOING SO

MOTIVATIONS, INVESTMENT GOALS AND APPROACH (1 min)

NEW PAGE

IF NOT ACTIVELY TRADING IN A SELF MANAGED SUPER FUND Please note that throughout this survey, when we refer to ‘trading’ and ‘investing’ we mean you personally buying and selling various financial products, such as through a trading platform, rather than trades made on your behalf by a financial planner or other third party.

IF ACTIVELY TRADING IN A SELF MANAGED SUPER FUND Please note that throughout this survey, when we refer to ‘trading’ and ‘investing’ we mean you personally buying and selling various financial products, such as through a trading platform, rather than trades made on your behalf by a financial planner or other third party. Please include any trades you have made within your self-managed super fund.

Q8. Thinking back to your first ever investment in a financial product, which product type was it?

	Select one
Australian shares	
International shares	
Exchange Traded Funds (ETFs)	
Bonds	
Margin foreign exchange	
Cryptocurrencies	
Hybrid securities	
Contracts for difference	
Market linked notes	
Exchange traded options	
Futures	
Warrants	
Gold or silver	
Something else (specify) _____	
Can't recall	

Q9. Thinking back to when you first started investing, which of the following influenced your decision to start investing?

Please select all that apply to you.

RANDOMISE STATEMENTS	Select all that apply
A stock market crash	
I inherited a share portfolio	
I inherited money and wanted to put it to use	
I was given some shares through work	
Family or friends	
My spouse / partner	
I had extra time to research and invest due to COVID-19	
I had extra money to invest due to COVID-19	
I wanted to make some quick money	
I wanted financial independence / freedom	
I wanted to retire earlier	
I didn't want to rely on superannuation / pension for retirement	
Interest rates on savings accounts were too low	
For fun / entertainment	
Because house prices had become unaffordable	
Wanting to make money for a particular goal (such as a house deposit)	
I wanted to generate another income stream	
I wanted to reduce my debt	
A financial influencer on social media	
I didn't want to miss out on an opportunity	
A podcast I had heard	
A book I had read	
Commercial advertising	
Another reason (specify) _____	

Q10. [IF SELECTED MORE THAN ONE OPTION AT Q9] And which of the following had the biggest influence on your decision to start investing?

RANDOMISE STATEMENTS	Select one
PIPE IN OPTIONS SELECTED AT Q9	

PORTFOLIO OVERVIEW AND DIVERSIFICATION (8 mins)

NEW PAGE

The next few questions are about your *entire* investment portfolio.

Q11. How many of each of the following financial product types or investments do you currently own?

For example, if you own shares in Westpac and Telstra, enter 2 under 'Australian shares'. Enter 0 if you do not own any products in the category.

(FOR RESPONDENTS THAT HAVE AN SMSF) Please include financial products or investments that you own through your self-managed super fund.

Please provide your best estimate.

ALLOW BETWEEN 0 AND 9999	
Australian shares	
International shares	
Exchange Traded Funds (ETFs)	
Government or corporate bonds	
Listed investment companies (LICs)	
Real Estate Investment Trusts (REITs)	
Unlisted managed funds	
Margin foreign exchange	
Cryptocurrencies	
Hybrid securities	
Contracts for difference	
Market linked notes	
Exchange traded options (ETOs)	
Futures	
Warrants	
Gold or silver	
Residential investment properties	
Other investment property	
Term deposits	
Other (specify)	

Q12. What is your investment portfolio worth in Australian dollars, in total across all of the products listed below?

PIPE IN ALL > 0 AT Q11 & ALSO INCLUDE ANYTHING LISTED UNDER 'OTHER'

[For people that DO NOT HAVE an SMSF] Please note this includes investment properties, but excludes your home (primary place of residence) and your superannuation. Your best estimate is fine.

[For people that HAVE an SMSF] Please note this includes investment properties and your self-managed super fund (SMSF), but excludes your home (primary place of residence) and any super outside of your SMSF. Your best estimate is fine.

Please be assured that all your responses are confidential, will not be linked to you in any way and will not be used for any purpose other than this research project.

	Please select one
Less than \$5,000	
\$5,000 - \$9,999	
\$10,000 - \$19,999	
\$20,000 - \$34,999	
\$35,000 - \$49,999	

\$50,000 - \$74,999	
\$75,000 - \$99,999	
\$100,000 – \$199,999	
\$200,000 - \$349,000	
\$350,000 - \$499,999	
\$500,000 – \$999,999	
\$1,000,000 - \$1,499,999	
\$1,500,000 - \$2,499,999	
\$2,500,000 - \$4,999,999	
\$5,000,000 or more	
Prefer not to say	

Q13. Thinking about the dollar value of the different products you own, what is the approximate percentage that each product represents in your total portfolio? Your best estimate is fine.

**FILTER IN ALL > 0 AT Q11 & ALSO INCLUDE OTHER
ALLOW TYPE IN PERCENTAGE – MUST ADD UP TO 100% - SHOW % ADDING UP ON SCREEN**

	Type in %
Australian shares	
International shares	
Exchange Traded Funds (ETFs)	
Government or corporate bonds	
Listed investment companies (LICs)	
Real Estate Investment Trusts (REITs)	
Unlisted managed funds	
Margin foreign exchange	
Cryptocurrencies	
Hybrid securities	
Contracts for difference	
Market linked notes	
Exchange traded options (ETOs)	
Futures	
Warrants	
Gold or silver	
Residential investment properties	
Other investment property	
Term deposits	
Other (specify)	

Q13a. Please consider now your total wealth (i.e. including your primary residence and any investment properties, and all forms of savings, investments and superannuation). Approximately what percentage do your investments in the following financial products make up of your total wealth? Your best estimate is fine.

FILTER IN ALL > 0 AT Q11 AS A LIST

___% ALLOW 3 DIGITS

Q14. How often would you usually check up on your investments for the following products?

FILTER IN ALL WHERE Q11=YES (EXCLUDING ‘LISTED INVESTMENT COMPANIES (LICS)’, ‘REAL ESTATE INVESTMENT TRUSTS (REITS)’, ‘UNLISTED MANAGED FUNDS’, ‘RESIDENTIAL INVESTMENT PROPERTY’, ‘OTHER INVESTMENT PROPERTY’, AND ‘TERM DEPOSITS’, BUT INCLUDE OTHER)”

	A few times a day	Once a day	Once a week	Once a month	Every few months	Once a year	Never	Unsure
Australian shares								
International shares								
Exchange Traded Funds (ETFs)								
Bonds								
Margin foreign exchange								
Cryptocurrencies								
Hybrid securities								
Contracts for difference								
Market linked notes								
Exchange traded options								
Futures								
Warrants								
Gold or silver								
[PIPE IN ANY OPTIONS MENTIONED AT Q6 UNDER OTHER								

Q15. Since March 2020, roughly how often did you personally buy products in each of the following categories?

FILTER IN ALL WHERE Q6=YES (EXCLUDING INVESTMENT PROPERTY’ BUT INCLUDE OTHER

	Daily	Once a week	Once a fortnight	Once a month	Every few months	Once a year	Never	Unsure
Australian shares								
International shares								
Exchange Traded Funds (ETFs)								
Bonds								
Margin foreign exchange								
Cryptocurrencies								
Hybrid securities								
Contracts for difference								
Market linked notes								
Exchange traded options								
Futures								
Warrants								
Gold or silver								
[PIPE IN ANY OPTIONS MENTIONED AT Q6 UNDER OTHER								

Q16. And since March 2020 roughly how often have you personally sold any of the following types of financial products?

FILTER IN ALL WHERE Q6=YES (EXCLUDING INVESTMENT PROPERTY' BUT INCLUDE OTHER

	Daily	Once a week	Once a fortnight	Once a month	Every few months	Once a year	Never	Unsure
Australian shares								
International shares								
Exchange Traded Funds (ETFs)								
Bonds								
Margin foreign exchange								
Cryptocurrencies								
Hybrid securities								
Contracts for difference								
Market linked notes								
Exchange traded options								
Futures								
Warrants								
Gold or silver								
[PIPE IN ANY OPTIONS MENTIONED AT Q6 UNDER OTHER								

Q17. Are you trading more or less than before COVID-19?

SK IF RESPONDENT HAS BEEN CODED AS 'MODERATELY EXPERIENCED' OR 'MOST EXPERIENCED'

	Select one
Trading a lot more than before COVID-19	
Trading a little more than before COVID-19	
No change	
Trading a little less than before COVID-19	
Trading a lot less than before COVID-19	

Q18. How would you describe your current investment approach?

Please select all that apply.

RANDOMISE STATEMENTS, KEEP LAST TWO OPTIONS AT END	Select all that apply
Strategic	
Impulsive	
Planned	
Inexperienced	
Reactive	
Day-trader	
In it for the long-term	
Risk-taking	

Safe	
Passive	
Set and forget	
Follow the market closely	
Active	
Calculated	
Balanced	
Research-led	
Obsessed	
Well-diversified	
Something else (please specify)	
None of these	

Q19. Which of these words describe the feelings you have when you're investing, including selling, buying, and researching investment options?

Please select all that apply.

RANDOMISE STATEMENTS, KEEP LAST OPTION AT END	Select all that apply
Excited	
Happy	
Anxious	
Scared	
Panicked	
Angry	
Upset	
Crushed	
Empowered	
Agitated	
Motivated	
Indecisive	
Confident	
Confused	
Hopeful	
Proud	
Calm	
Regretful	
Numb	
Nostalgic	
In control	
Exhilarated	
Something else (please specify)	

Q20. To what extent do you agree or disagree with the following statements?

RANDOMISE	Strongly agree	Somewhat agree	Neither agree nor disagree	Somewhat disagree	Strongly disagree	Don't know
I do research before making an investment decision						
I only ever invest as much as I'm prepared to lose						
I've invested in things because my friends were doing so						
I've invested in things because I didn't want to miss out						
I've made a conscious effort to diversify what I am investing in						
Loss is just part of the investing process						
I have 'play money' for investments I'm prepared to try, knowing I may have losses						

Q21. Since March 2020, which of the following have you used to fund your investments?

Please select all that apply.

	Select any that apply
Personal income / savings	
Government stimulus payments	
Dividends	
Profits from the sale of other investments	
Inheritance money	
A margin loan	
Interest from savings or term deposit/s	
Equity from a house or business	
Something else (please specify)	

Q22. Are there any types of financial products that you would not invest in?

Please select all that apply.

	Select any that apply
Australian shares	
International shares	
Exchange Traded Funds (ETFs)	
Bonds	
Margin foreign exchange	
Cryptocurrencies	
Hybrid securities	
Contracts for difference	
Market linked notes	

Exchange traded options	
Futures	
Warrants	
Gold or silver	
Something else (specify)	
There are no financial product types I wouldn't trade / invest in	

Q23. Which of these reasons explain why you would not invest in the following financial products?

Please select all that apply.

ASK IF SELECTED ANY AT PREV Q

RANDOMISE, KEEP OTHER LAST	SET UP AS GRID WITH COLUMNS RESPONDING TO OPTIONS SELECTED AT Q22
Too risky	
Cannot afford it	
Not profitable enough	
Too safe	
Too boring	
I don't know enough about it	
Something else (please specify)	

RISK AND LOSS (1.5 min)

Q25. How would you describe your attitude to financial and investment risk? SINGLE RESPONSE

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	

Q26. Do you currently have any products in your portfolio that you consider risky or speculative? If so, please name the products.

OPEN ENDED RESPONSE #1

Yes (please specify)	
No	

Q27. Would you classify the products you own as low, moderate or high risk?

FILTER IN ALL WHERE Q11=YES (EXCLUDING 'LISTED INVESTMENT COMPANIES (LICS)', 'REAL ESTATE INVESTMENT TRUSTS (REITS)', 'UNLISTED MANAGED FUNDS', 'RESIDENTIAL INVESTMENT PROPERTY', 'OTHER INVESTMENT PROPERTY', AND 'TERM DEPOSITS', BUT INCLUDE OTHER)"

	Low	Moderate	High	Don't know
Australian shares				
International shares				
Exchange Traded Funds (ETFs)				
Bonds				
Margin foreign exchange				

Cryptocurrencies				
Hybrid securities				
Contracts for difference				
Market linked notes				
Exchange traded options				
Futures				
Warrants				
Gold or silver				
PIPE IN OTHER FROM Q6				

Q28. Have you personally experienced the following types of loss across any of the following product categories since March 2020?

Please select all that apply.

FILTER IN ALL WHERE Q6=YES (EXCLUDING INVESTMENT PROPERTY' BUT INCLUDE OTHER) AND FILTER IN ALL WHERE Q11=YES (EXCLUDING 'LISTED INVESTMENT COMPANIES (LICS)', 'REAL ESTATE INVESTMENT TRUSTS (REITS)', 'UNLISTED MANAGED FUNDS', 'RESIDENTIAL INVESTMENT PROPERTY', 'OTHER INVESTMENT PROPERTY', AND 'TERM DEPOSITS', BUT INCLUDE OTHER)''

MULTI RESPONSE OK ACROSS ROWS	The money you invested was completely lost	You sold an investment for less than you bought it for (i.e. realised loss)	Your investment value declined (i.e. unrealised loss)	An investment you owned didn't increase as much as you had expected	None of these
Australian shares					
International shares					
Exchange Traded Funds (ETFs)					
Bonds					
Margin foreign exchange					
Cryptocurrencies					
Hybrid securities					
Contracts for difference					
Market linked notes					
Exchange traded options					
Futures					
Warrants					
Gold or silver					
PIPE IN OTHER FROM Q6					

TRADING PLATFORMS (0.5 min)

Q29. Which of the following trading platforms have you used since March 2020?

Please select all that apply.

ALPHABETISE THIS LIST BUT KEEP 'BANKING TRADING PLATFORM (E.G. ██████████, ██████████, ETC.)' AND 'OTHER' STATIC

	Select all that apply
Banking trading platform (e.g. ██████████, ██████████, etc.) [please specify ...]	
██████████	

INFORMATION SOURCES (3 min)

Q30. Since March 2020, where did you mainly get information about investing from?

Please select all that apply

RANDOMISE STATEMENTS, KEEP BOTTOM TWO AT END

	Select all that apply
Podcasts	
Books (e.g. [redacted], [redacted])	
Google search	
Annual / quarterly company reports	
Company websites	
Company financial statements	
Looking at the company's leadership team or board	
My spouse / partner	
Family or friends	
Work colleagues	
Financial planner / advisor / broker	
Reddit	
Facebook	
Instagram	
TikTok	
Financial influencer (e.g. on social media)	
Investing websites (e.g. [redacted], [redacted])	
Moneysmart.gov.au	
Financial institutions (e.g. [redacted], [redacted])	
YouTube	
ASX	
Blogs (please specify)_____	
Advertisement/advertising	
Other [please specify]	
I didn't use any information sources	

Q31. Which podcasts do you listen to in order to get information about investing?

ASK ONLY THOSE Q30 = Podcasts

RANDOMISE STATEMENTS, KEEP BOTTOM TWO AT END

	Select all that apply
[redacted]	
[redacted]	
[redacted]	
[redacted]	
[redacted]	
[redacted]	
[redacted]	
[redacted]	
[redacted]	

[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
[REDACTED]	
Something else [please specify] _____	
Can't recall	

Q32. You mentioned that you get information about investing from financial influencers – please list them below.

**ASK ONLY THOSE Q30 = Financial influencer
OPEN ENDED RESPONSE #2**

ALLOW 10 OPEN ENDED BOXES

Q34. In the last 6 months, have you noticed any advertising about investing through the following?

**Please select all that apply
RANDOMISE CODES, KEEP BOTTOM TWO AT END**

Reddit
Facebook
Instagram
TikTok
YouTube
Twitter
Television
Radio
On transport (bus, bus shelter, tram, train, airport)
Billboards
Online news websites
Print newspapers
Magazines
Podcasts
Google
Investing blogs
Investing websites (e.g. [REDACTED], [REDACTED], [REDACTED])
Sporting events
Other [please specify] _____
None of these

REGULATORS AND TROUBLE SHOOTING (1 min)

Q35. Please list the names of any Australian financial regulators you have heard of.

OPEN ENDED RESPONSE #3

ALLOW 10 BOXES
Can't recall any

Q36. Have you ever experienced any concerning issues when you were investing or doing a trade (that was not a technical issue like forgetting your password) e.g. scams, frozen funds, or other significant issues?

Yes	
No	

Q37. Please describe the issue you experienced. If you have experienced multiple issues, please describe the most concerning one.

ASK IF YES AT Q36.

OPEN ENDED QUESTION #4

Q38. Who did you turn to or what did you do after you experienced this issue?

ASK IF YES AT Q36. RANDOMISE STATEMENTS

	Select all that apply
Made contact through the platform (e.g. [redacted], [redacted], [redacted])	
Contacted the company or financial product issuer in question	
Wrote a message on social media	
Contacted a lawyer	
Contacted Consumer Affairs	
Contacted Fair Trading	
Contacted the Australian Competition and Consumer Commission (ACCC)	
Contacted the Australian Securities and Investments Commission (ASIC)	
Contacted my bank or financial institution	
Contacted an Ombudsman or financial complaints authority	
Contacted the media about it	
I didn't do anything about it	
Something else [please specify]	

ADDITIONAL DEMOGRAPHICS (1.5 MIN)

Finally, just some questions to help us understand the views of different types of investors.

Q39. Do you rent or own the home you live in?

	Select one
I pay rent / board	
I own the home outright and do not have a mortgage	
I'm paying a mortgage on the home	
Other (please specify)_____	

Q40. Do you identify as Aboriginal and/or Torres Strait Islander?

	Select one
Yes - Aboriginal	
Yes – Torres Strait Islander	
Yes – Aboriginal and Torres Strait Islander	
No	
Prefer not to say	

Q41. Do you speak a language other than English at home?

	Select one
Yes	
No	

Q42. Which of the following describes your current employment status?

	Select all that apply
Working full-time	
Working part-time	
Working casually	
Self employed / business owner	
Employed but temporarily working fewer or zero hours due to COVID-19	
Not currently working / Unemployed	
Student	
Home duties including caring for others	
Retired	
Unable to work due to illness, disability or impairment	
Other (please specify) _____	

Q43. What is your personal annual income from all sources before tax? Please include all wages, salaries, pensions and other income. If you are unsure, your best guess will be fine.

	Select one
Under \$6,000	
\$6,000 - \$9,999	
\$10,000 - \$14,999	
\$15,000 - \$19,999	
\$20,000 - \$24,999	
\$25,000 - \$29,999	
\$30,000 - \$34,999	
\$35,000 - \$39,999	
\$40,000 - \$44,999	
\$45,000 - \$49,999	
\$50,000 - \$59,999	
\$60,000 - \$69,999	
\$70,000 - \$79,999	
\$80,000 - \$89,999	
\$90,000 - \$99,999	
\$100,000 – \$119,999	
\$120,000 - \$139,999	
\$140,000 - \$149,999	
\$150,000 - \$249,999	
\$250,000 or more	
I'd prefer not to say	

Q44. Does anyone else in your household or immediate family invest in financial products?

Yes	
No	

Q45. If your household's income stopped unexpectedly, for how long do you think your savings would be able to cover your essential expenses without financial support or assistance?

	Select all that apply
Less than 3 months	
More than 3 months but less than 6 months	
More than 6 months but less than 12 months	
At least 12 months	
Don't know	
Prefer not to say	

NEW PAGE: Thank you for that. We really appreciate your time and contribution to this important study. This was conducted on behalf of the Australian Securities and Investments Commission (ASIC), which is Australia's corporate, markets, financial services and consumer credit regulator.

X. Do you have any comments or feedback about this survey?

OPEN ENDED QUESTION #5

Appendix 4: Methodology Disclosure Statement

Methodology Disclosure Statement⁴¹

This research was conducted by SEC Newgate Research on behalf of the Australian Securities and Investments Commission (ASIC) between the 13 August and the 30 November 2021.

The target population for the research was Australian retail investors aged 18 years or over who had made a direct trade since March 2020.

The research comprised of a qualitative forum on online community platform Recollective with n=26 participants, from which a subset of n=22 participated in focus group discussions recruited from across Australia. SEC Newgate then conducted a nationally representative online (self-complete) survey of n=1,053.

Online participants were sourced via CanvasU - a commercial provider of research sample that draws from a range of opt-in panels and databases. Qualitative participants were recruited by Research Connections - a specialist recruiter of research participants - using its own database.

Participation was on a voluntary, opt-in basis.

Weighting was applied to the survey dataset to more accurately reflect the target population, using rim weighting (or raking).

Nationally representative targets were set to provide a good cross section of participants across various demographic cohorts. Cell weighting was applied to the sample, based on a combination of survey incidence data and ABS Census population data for age, gender, location and education status, as per best practice polling standards from The Research Society.

Weighting efficiency was around 78% for most survey estimates. That is, the effective sample size for most estimates was around 78% of the actual sample size (i.e. n=820 for estimates made on the total sample). Using the effective sample size, the maximum margin of error for estimates made on the total sample is +/- 3%.

The full question wording used in the survey is included within the report. For multiple choice questions and statement grids, the order of response options and statements was randomised to avoid potential order effect.

The research was undertaken in compliance with the Australian Polling Council Code of Conduct which can be viewed here: <https://www.australianpollingcouncil.com/code-of-conduct>.

⁴¹ This statement has been included in the report because it is a requirement of the Australian Polling Council Code of Conduct to do so when publishing research findings.

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