



# Investor Sentiment Index Snapshot

Q1 2024

2024/03/01

## ABOUT US

CoreData is a global specialist research and insights consultancy.

CoreData uses bespoke and syndicated research to uncover strategic insights that can be implemented in your organisation, not just a glossy board report summary.

We pride ourselves on our ability to build trusted relationships with clients so that we truly understand their needs and can tailor our solutions. Our team is a complimentary blend of experienced research, financial services, marketing and media professionals. Together, our combined industry and primary research experience brings perspective to consumer needs, attitudes and behaviours.



# Key themes

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**Overall sentiment falls, driven by property concerns**

Overall HNW investor sentiment has fallen from the previous quarter, driven largely by a negative change in property sentiment.

**Investors are waiting for stronger signals**

When asked whether their portfolio was changed to be more aggressive or defensive in the past year, almost half (47%) of HNW investors said they had made no changes to their strategy and were waiting for stronger signals. However, 20% responded that they're planning to be more aggressive.

**Investors are looking to diversify**

ETFs saw a significant increase as investors' most recent investment, with many stating diversification as the reason. ETFs are popular among younger generations as they allow for smaller initial investments while giving broad market coverage. However, ETFs are also becoming increasingly popular to HNW and Mass Affluent investors.

**Understanding of annuities is limited**

Around 40% of investors have a good understanding of annuities, with 52% having little to no understanding. The annuities asset class may see more allocation over the next 10 years as the baby boomer generation transitions into retirement and looks for investment options to support them.

**Investors prefer getting life insurance through super**

Over half (58%) of investors prefer purchasing their life insurance through their super fund, and two-thirds feel they currently have adequate cover.

# Background and methodology

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- CoreData's Investor Sentiment Index (ISI) report is a quarterly gauge of Australian investor sentiment in prevailing market conditions. The objective has been to create a benchmark for how investors of various levels of sophistication are reacting to shifting conditions and impactful events.
- Key measures include investor confidence, intentions, and attitudes towards equities and property. Primary investor groups of focus are High-Net-Worth Investors (HNW), and Mass Affluent Investors (MA), however data for Core Affluent investors is also collected.
- The ISI has been conducted quarterly since Q1 2012, with the most recent round of revisions occurring in Q1 2024
- Fieldwork was conducted on February 6th – 20th 2024 among Australians 18 years old and above with investments.
- Respondents were sourced from CoreData's proprietary panel and supplemented with our strategic panel partners. The current wave of research includes:



n=101 HNW Investors



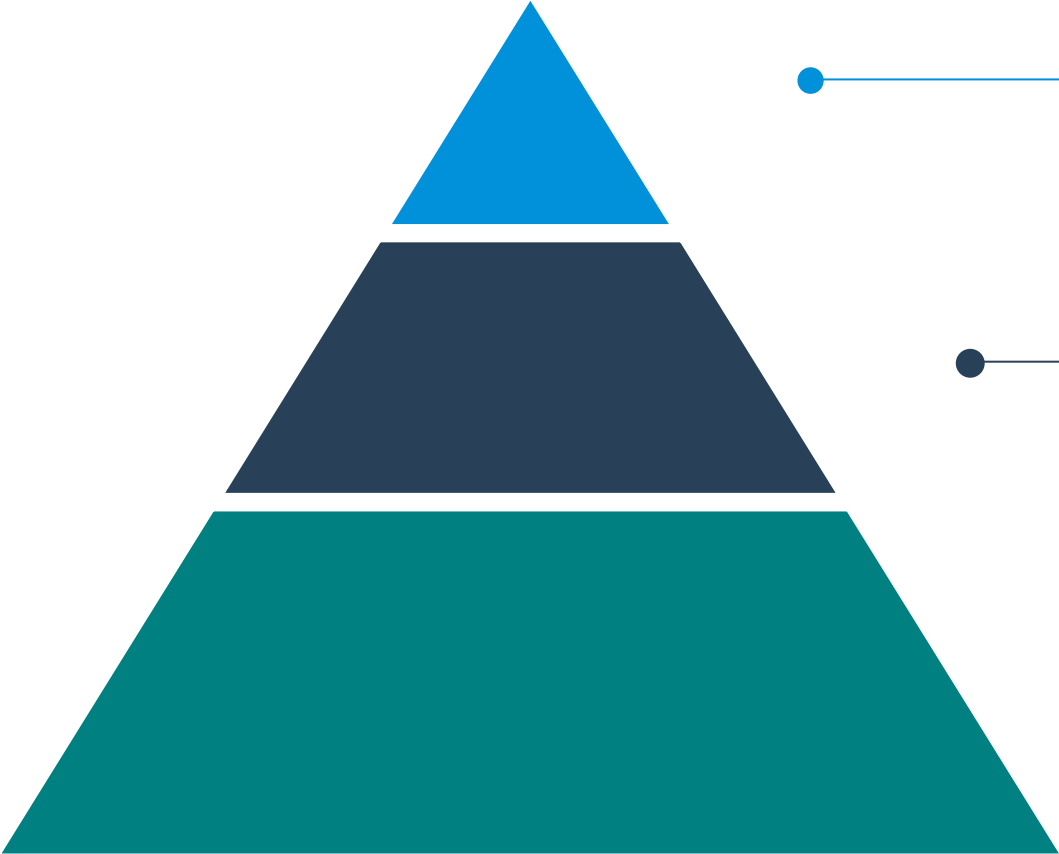
n=152 Core Affluent Investors



n=198 Mass Affluent Investors

# Definition

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**High Net Worth:**

Investors with an investment portfolio greater than \$1 million  
*n=101 (22% of respondents in Q1 2024)*

**Core Affluent:**

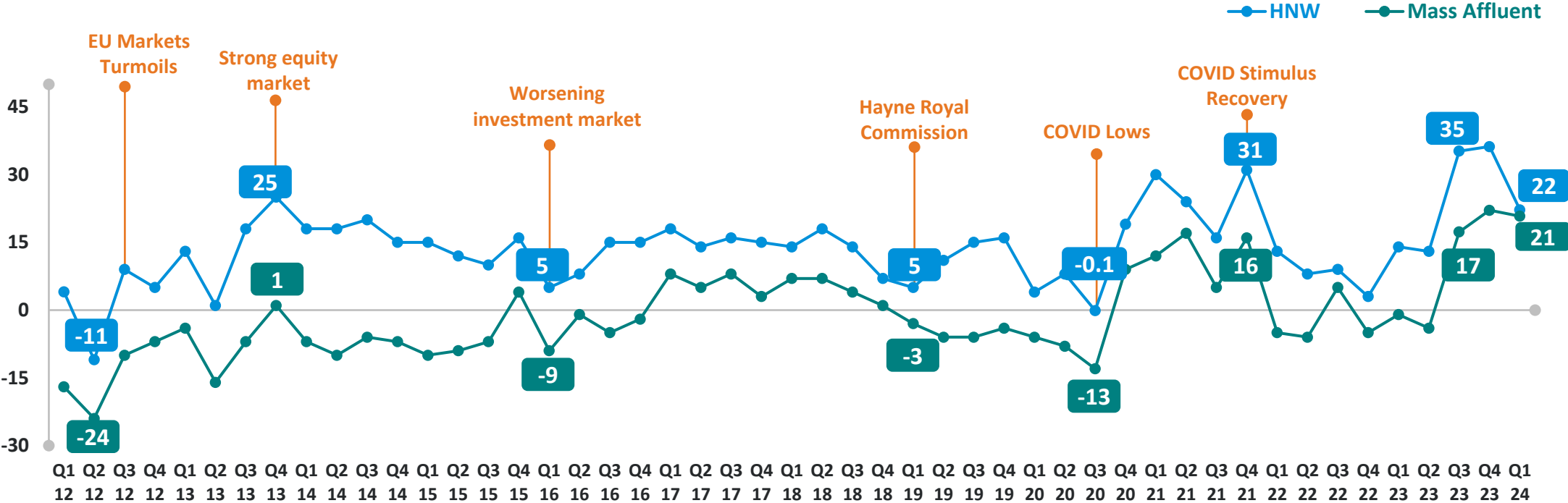
Investors with a Household income in the range of \$300K+ OR Personal income in the range of \$150K+ OR with an investment portfolio of \$500K to \$1M.  
*n=152 (34% of respondents in Q1 2024)*

**Mass Affluent:**

Investors with a Household income from \$150K to \$300K OR Personal income from \$100K to \$150K.  
*n=198 (44% of respondents in Q1 2024)*

# Overall sentiment has fallen from the previous quarter, bringing it more in line with the past year

Investor Sentiment



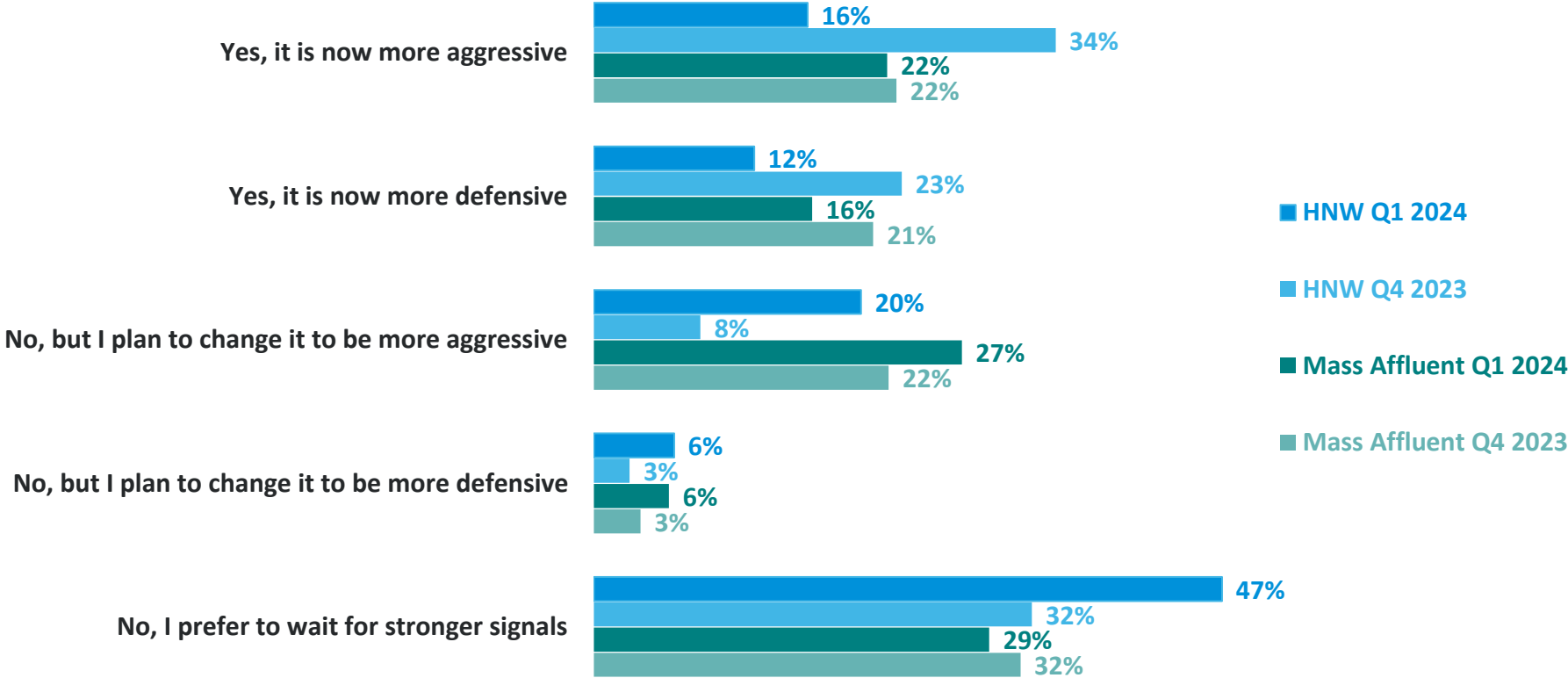
Overall sentiment has risen significantly over the past year, likely driven by increasing optimism of a ‘soft economic landing’ and the fact that many markets continue to increase in value. This recent quarter has seen sentiment decrease for HNW investors, bringing it in line with Mass Affluent investors. This decrease likely comes as a result of HNW investors’ falling confidence in the property market over the previous quarter, still waiting on interest rates to move.

Investor sentiment is an aggregate measure of investor confidence across expectations regarding the performance of the investment market, perception of their current financial situation, and future investment intentions.

HNW definition changed in Q3 2023 to be more reflective of market conditions: HNW is now defined as \$1 million or more in investable assets, up from \$750,000 in previous quarters.

# HNW investors are likely waiting for more interest rate movements before changing strategies

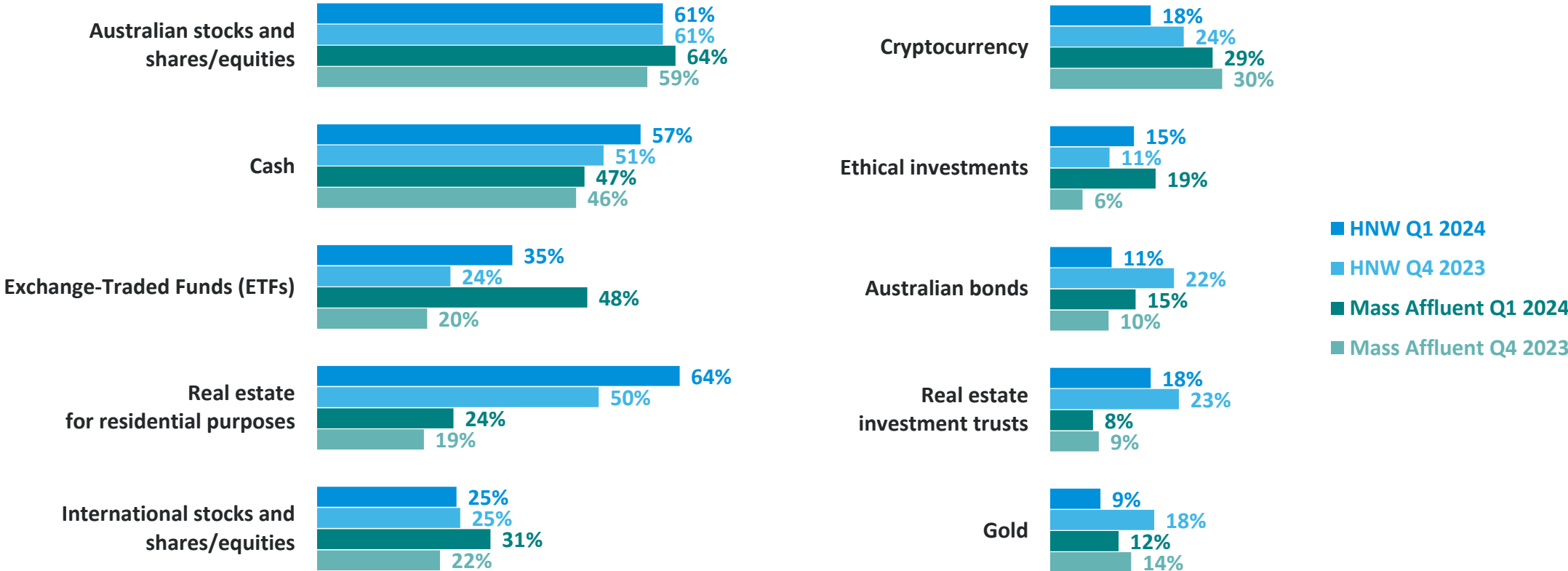
Allocation changes in the past year



Base: HNW Investors Q1 2024 n=101; Q4 2023 n=114; Mass Affluent Investors Q1 2024 n=198; Q4 2023 n=174  
 A4. Have you changed your portfolio allocation in the past year?

# More investors are holding ETFs this quarter

## Current investment portfolio



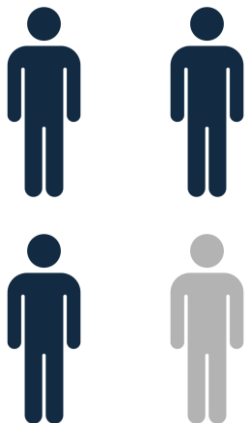
\*Top 10 responses only based on Q1 2024 Overall  
 Base: HNW Investors Q1 2024 n=101; Q4 2023 n=114; Mass Affluent Investors Q1 2024 n=198; Q4 2023 n=174  
 A1. Thinking about your investment portfolio, which of the following do you currently invest in? {Multiple answers allowed}



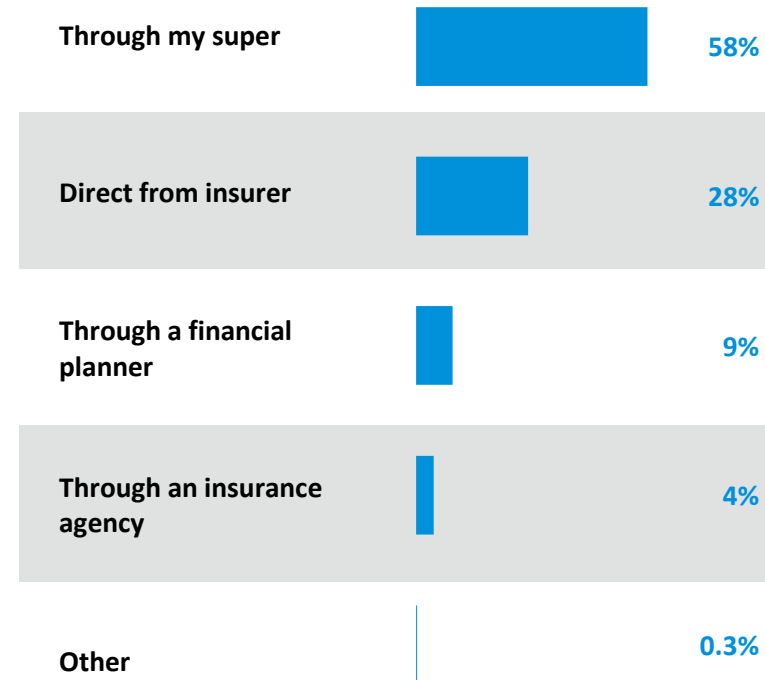
# Over half of investors prefer to purchase life insurance through their super fund

## Has life insurance

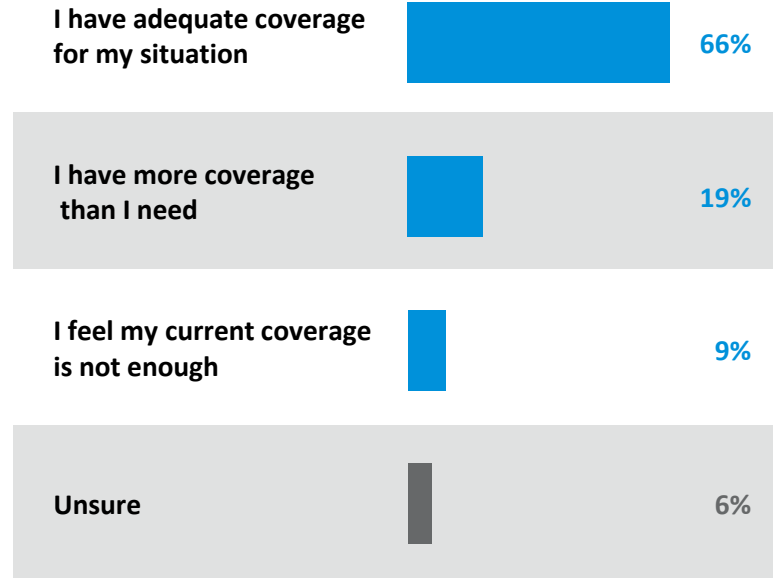
"3 out of every 4 Australians have life insurance (75%), while 22% remain uninsured, and 3% uncertain about their coverage."



## Purchase preference for life insurance



## Satisfaction on life insurance coverage



Base: Overall n=451; Has life insurance n=338, purchase preference and satisfaction on life insurance

A15. Do you currently have life insurance? (Multiple answers allowed); A17. How would you prefer to purchase your life insurance?; A16. What best describes how you feel about your current life insurance coverage?

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