

# MEDIA RELEASE



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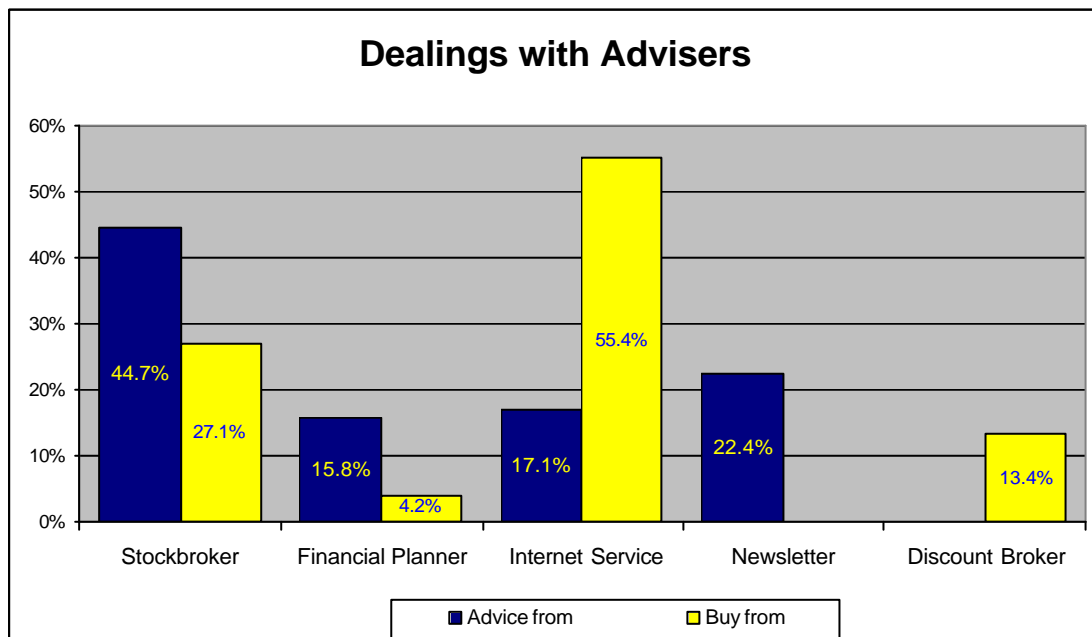
29 June 2003

## INVESTORS STRIKE BACK

*Investors may be playing stock brokers and financial planners at their own game by using them as a source of advice but then buying their shares via the internet and discounters.*

In a survey of their members the Australian Investors' Association (AIA) has uncovered that savvy investors are using the internet extensively for share market transactions.

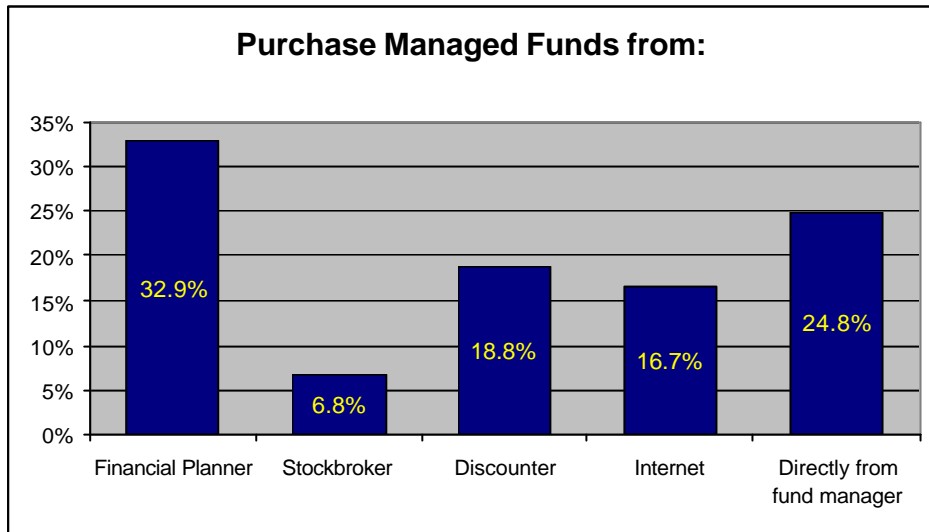
Investors are still using stockbrokers to get research information and advice (45%) but only 27 % are using stockbrokers for the transaction. Over 55% are using the internet for transactions and 13% are using discounters, meaning that the majority of transactions are not associated with an advice provider.



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## MANAGED FUNDS

The same thing is happening for the purchase of managed funds. Fund Managers have always claimed that they receive over 90% of their new investments from financial planners but the AIA survey depicts a vastly different situation with only about a third using financial planners to make their managed fund investments, almost 25% going directly to the fund manager, over 35% using a discounter or the internet.



The AIA does not claim that it's members are typical of the overall market but rather that the members, being more interested and knowledgeable about investing and investments, are a good indication of the likely future behaviour of all investors who will inevitably and necessarily become more interested and more knowledgeable in the future.

AIA President Bob Andrew said

***“We believe that investors are and will increasingly avoid the commission and brokerage systems which pollute and confuse the advisory and research processes. Brokers and financial planners who rely on brokerage and commissions will without question find the market for their services diminishing and will have to charge for their advice on a genuine fee basis or find that they are working for nothing. We applaud the demonstration of consumer power and would welcome advisers charging fees for the real service that they provide which is advice that should not be contaminated by the need for the adviser to make a sale.”***

## CONTACT

Bob Andrew  
AIA President

Phone: (07) 3829 5592

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