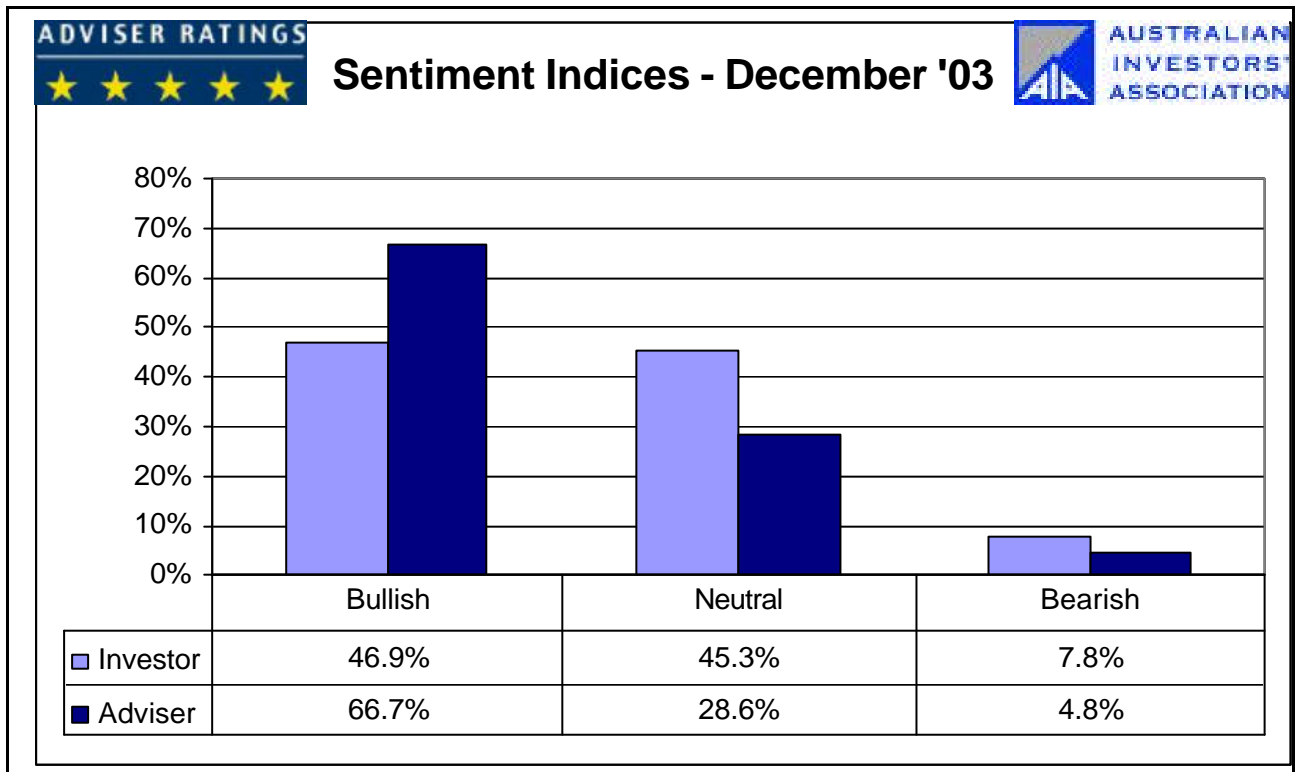


Australian Investors Association and Adviser Ratings

## INVESTMENT SENTIMENT INDICES – DECEMBER 2003

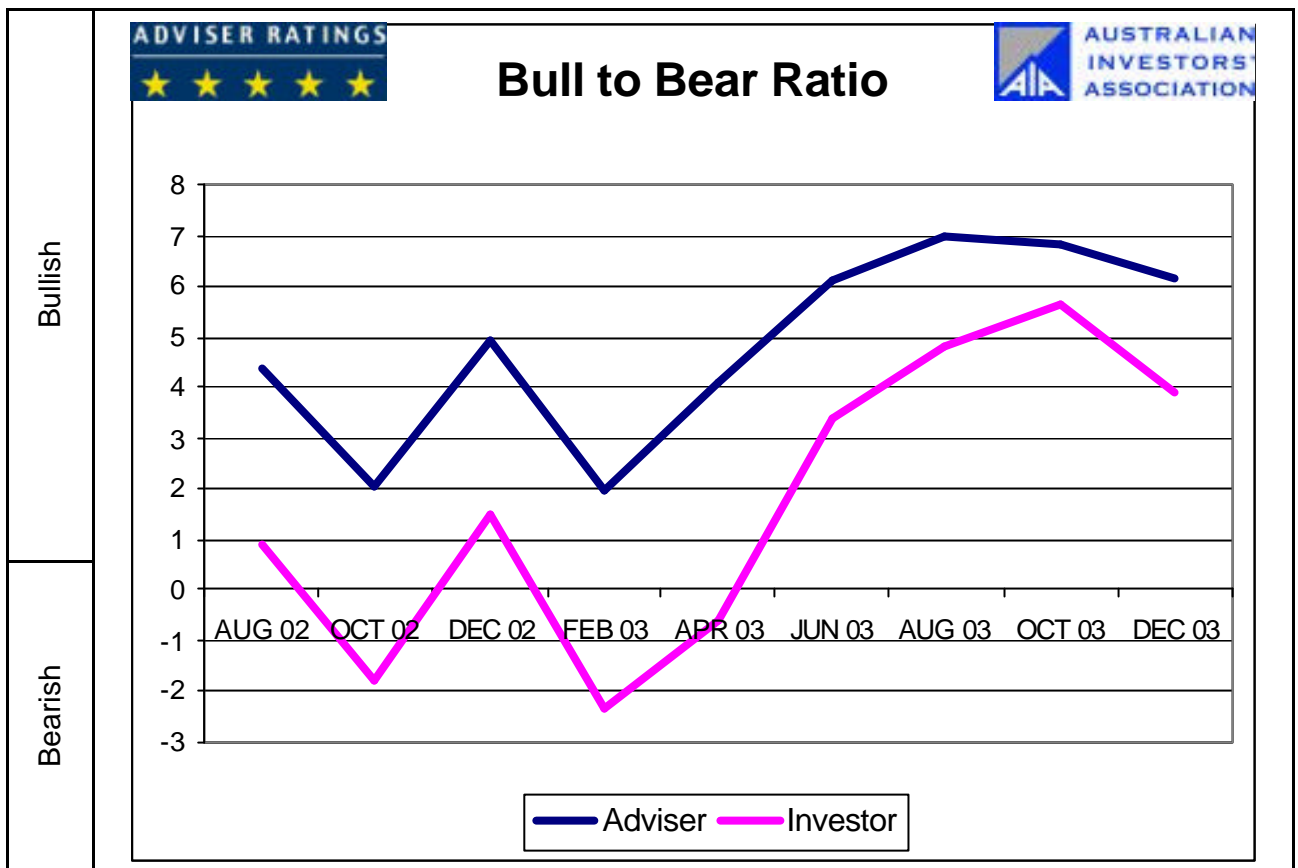
### Interest Rate Rise spooks Investors

For the first time in 10 months Bullish Sentiment has fallen. This reversal in the trend which has seen investor bullish sentiment rise from 12.1% (Feb 03) to a record high of 61.3% in October 2003 can almost certainly be sheeted home to the recent rise in interest rates.



Respondents are asked to indicate in which direction they expect the share market to move in the next six months. The results for this edition of the survey record a trend reversal of increasing bullish sentiment which started with the declared cessation of hostilities in Iraq. While the share market has not seen a sustained immediate reversal since the announcement of the interest rate rise by the Reserve Bank the survey asks what respondents view is of the market with a six month horizon. While there has been a fall in bullish sentiment it remains at a high level and Bears are still a rarity.

**MORE...**



In October there was a noticeable narrowing in the gap between Adviser and Investor sentiment. This edition of the survey has seen the gap return to more established proportions. While both investors and advisers are less bullish than two months ago, overall bullish sentiment remains high.

Charts showing the trend in both Investor and adviser sentiment since the survey began follow.

The Investment Sentiment Surveys have been operational since July 2002 and are proving to be of significant interest to the financial services industry, the public, and the media. The unique feature of the surveys is the comparison of Investors sentiment with their Advisers Sentiment

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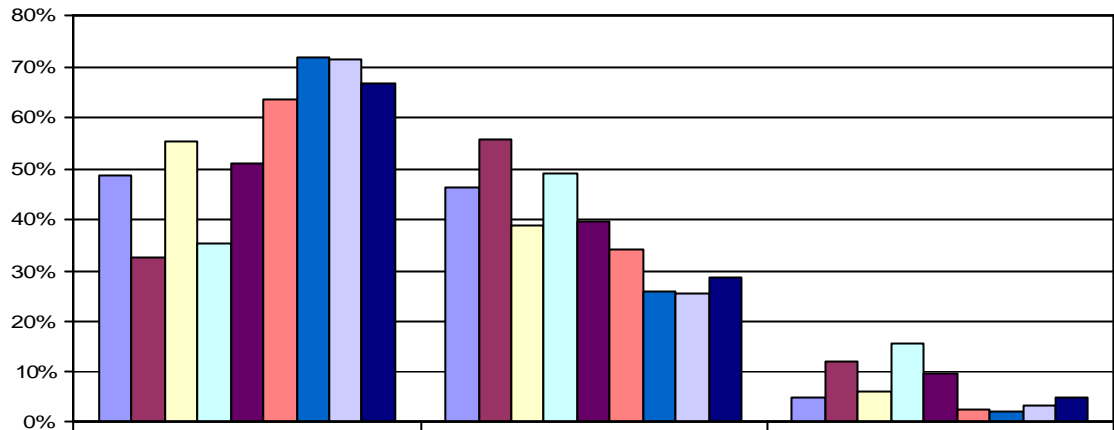
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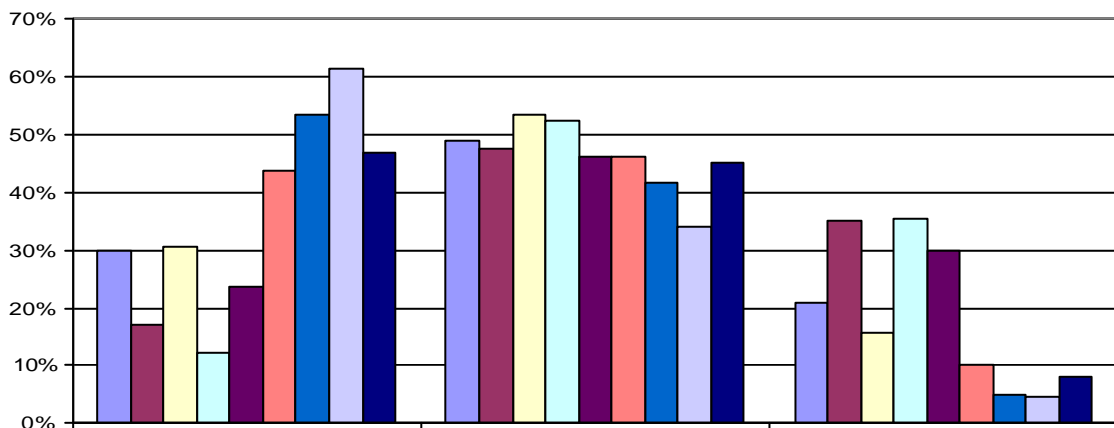
**MORE...**

### Adviser Sentiment Index



	Bullish	Neutral	Bearish
■ AUG 02	48.8%	46.4%	4.8%
■ OCT 02	32.4%	55.8%	11.8%
■ DEC 02	55.3%	39.0%	5.7%
■ FEB 03	35.4%	49.1%	15.6%
■ APR 03	50.8%	39.8%	9.4%
■ JUN 03	63.5%	34.1%	2.4%
■ AUG 03	71.8%	25.8%	1.8%
■ OCT 03	71.5%	25.3%	3.2%
■ DEC 03	66.7%	28.6%	4.8%

### Investor Sentiment Index



	Bullish	Neutral	Bearish
■ AUG 02	30.0%	48.9%	21.1%
■ OCT 02	17.1%	47.7%	35.2%
■ DEC 02	30.7%	53.3%	16.0%
■ FEB 03	12.1%	52.5%	35.5%
■ APR 03	23.8%	46.3%	29.9%
■ JUN 03	43.7%	46.3%	10.0%
■ AUG 03	53.4%	41.8%	4.8%
■ OCT 03	61.3%	34.1%	4.6%
■ DEC 03	46.9%	45.3%	7.8%