

Australian Investors Association and Adviser Ratings

INVESTMENT SENTIMENT INDICES – FEBRUARY 04

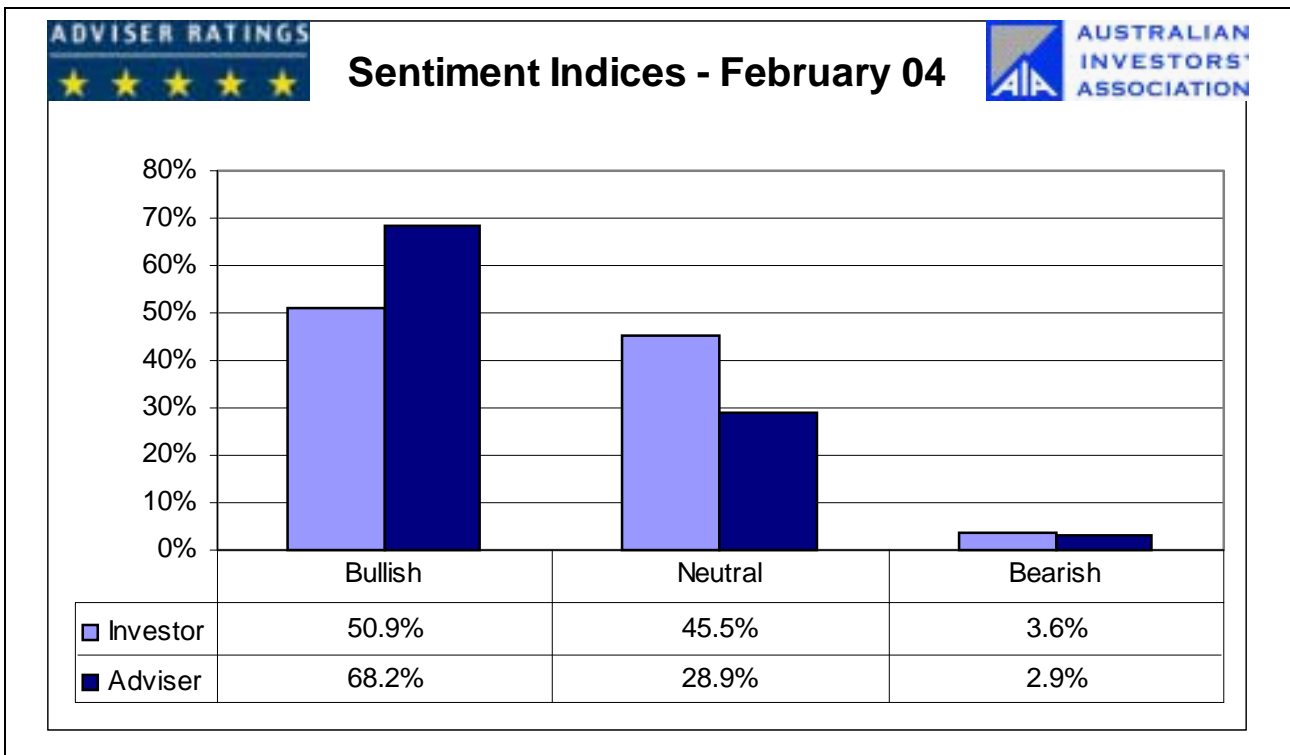
Rate Rises Fail to Dampen Investor Enthusiasm

It seems that investors and their advisers have recovered from the rise in interest rates late last year. Both investors and advisers have shown an increase in bullish sentiment in the February survey.

Compared to February 2003, when the preparation for the Iraq war was well under way and Shane Warne received a 12 month ban for use of a diuretic, positive investment sentiment in February 2004 has increased dramatically.

Bearish sentiment for Investors is at its lowest level since the inception of the Investment Sentiment surveys (i.e. only 3.6% believe the market will fall in the next 6 months) while financial advisers have recorded the second lowest percentage of Bears at 2.9%.

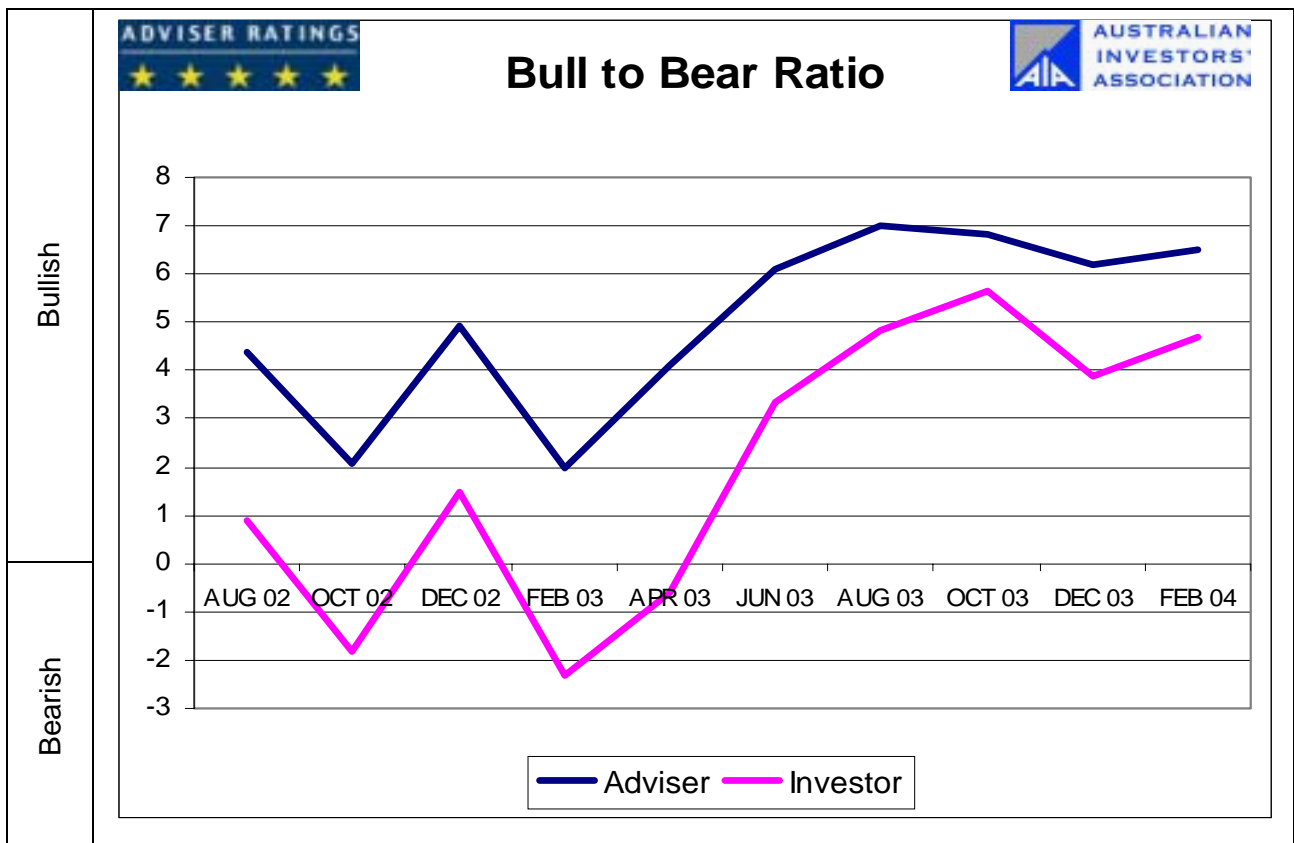
It is interesting to note that investors who invested at the low point of investment sentiment in February 2003 will have benefited from an 11% increase in the index.



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 show an increase in positive sentiment (bullish) which may be due to investors recovering from the impact of interest rate rises late last year.

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It is worthy of note that since the low point in both Investor and Adviser sentiment twelve months ago in February 2003 the index has risen by over 11% which gives support to the arguments of the counter cyclical theory.

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 sentiments with their Advisers Sentiment

The Australian Investors Association is an independent not for profit association that provides independent investment education for members and represents the interests of individual investors to government and the financial services industry. www.investors.asn.au

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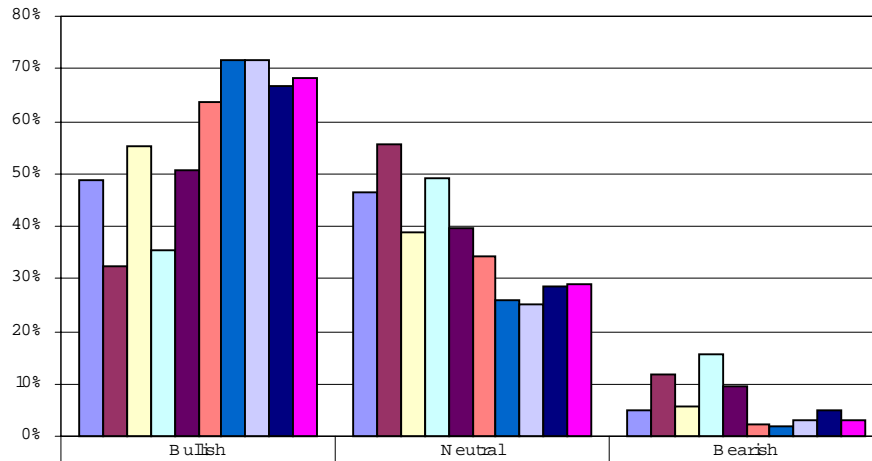
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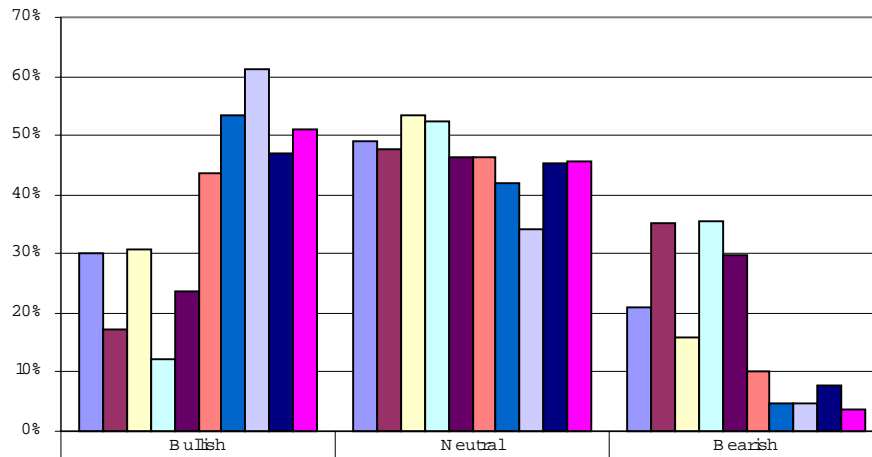
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Adviser Sentiment Index



	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%
■ FEB 04	68.2%	28.9%	2.9%

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%
■ FEB 04	50.9%	45.5%	3.6%