

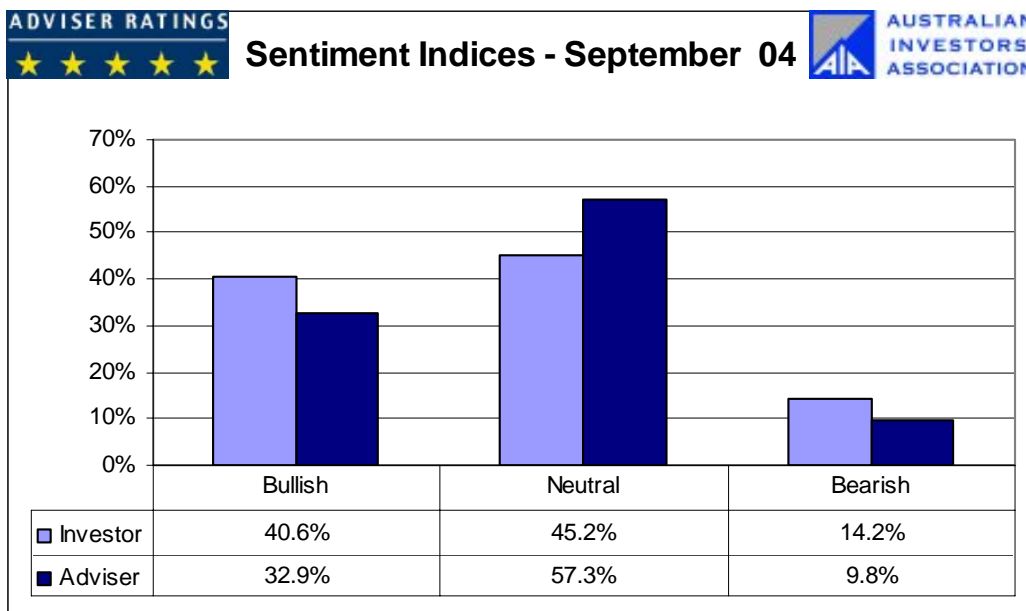
## INVESTMENT SENTIMENT INDICES – SEPTEMBER 2004

### From Boom to Gloom

At a time that saw the current profit announcement season declared as the biggest ever, Financial Advisers are taking a more pessimistic view of the future for sharemarket performance in the next six months. In stark contrast Investors are more optimistic than 3 months ago.

The results of the current Sentiment survey are significant because they record a number of firsts:-

- For the first time since the survey commenced over two years ago Investors are more bullish than advisers
- For the first time Advisers and Investors sentiments have moved in opposite directions (Investors-up, Advisers-down).
- Advisers have recorded the highest level of Neutral sentiment which is indicative of the uncertainty they feel.
- Perhaps it's pre-election jitters, but both Advisers and Investors are more bearish at the moment than at any time since June 2003.



**MORE...**

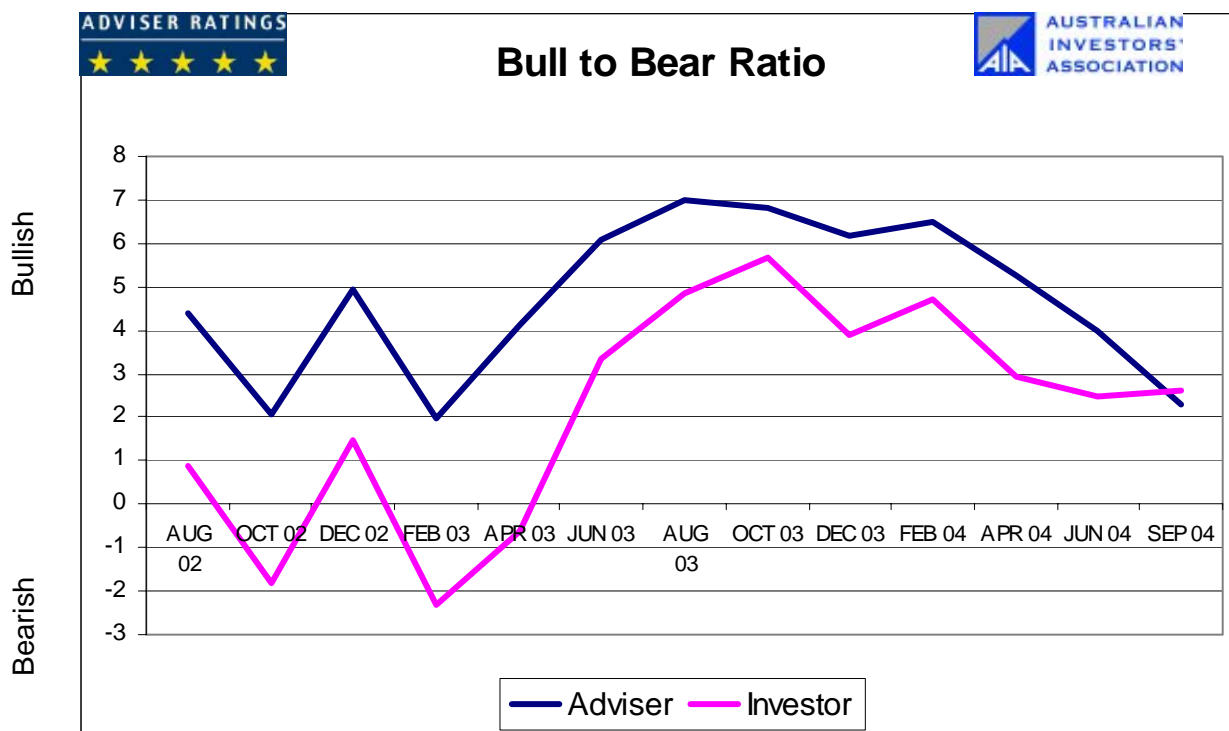
Respondents are asked to indicate in which direction they expect the share market to move in the next six months. The results for this edition of the survey show a fall in positive sentiment (bullish).

In June we commented that given the high level of Neutral sentiment for both Advisers and Investors it would be interesting to see which side of the fence these people would fall.

For Financial Advisers an even greater number have become fence sitters (57.3%; June 47.8%) and Bulls have decreased from 46.1% to 32.9%.

The level of Neutral sentiment for Investors however has decreased significantly from 53.4% in June to 45.2% in September. The fall in those investors with a Neutral view has seen an almost equal increase in both bullish and bearish sentiment for investors.

For the first time the Bull to Bear ratio is higher for Investors than Advisers.



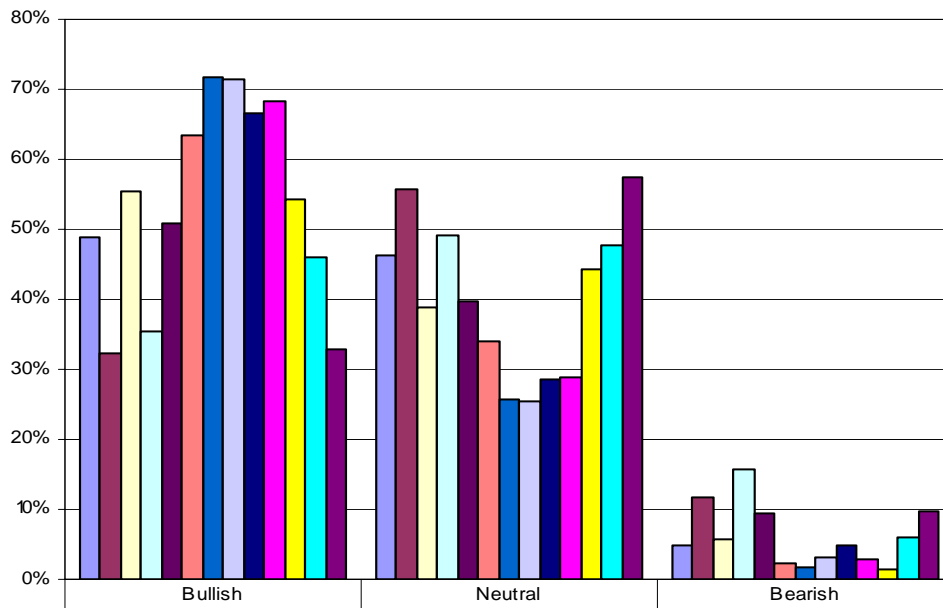
Charts showing the trend in both Investor and adviser sentiment since the survey began follow. The Investment Sentiment Surveys have been operational since July 2002 and are proving to be of significant interest to the financial services industry, the public, and the media. The unique feature of the 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](http://www.investors.asn.au) **Adviser Ratings** provides independent Ratings of Financial Planners to assist investors in choosing a Financial Planner. [www.adviserratings.com.au](http://www.adviserratings.com.au)

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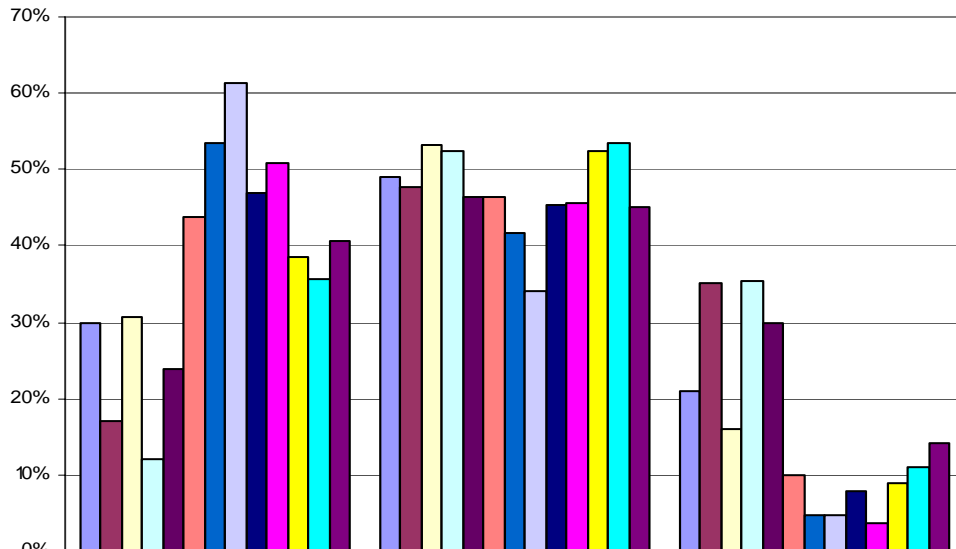
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## Adviser Sentiment Index



	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%
■ APR 04	54.3%	44.4%	1.3%
■ JUN 04	46.1%	47.8%	6.1%
■ SEP 04	32.9%	57.3%	9.8%

## 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%
■ FEB 04	50.9%	45.5%	3.6%
■ APR 04	38.6%	52.5%	8.9%
■ JUN 04	35.7%	53.4%	10.9%
■ SEP 04	40.6%	45.2%	14.2%