



# COVID-19 INVESTOR INSIGHTS

August 2020

# About

We surveyed our clients in June and July 2020 to find out how their lives had been affected by COVID-19 and how their investment decisions would be shaped by the pandemic.

This report outlines the key insights discovered.

Thank you to all clients who participated.

---

Primary concerns	3
Key impacts	4
Opinions	5
Future spending	6
Investor sentiment	7
Investment income strategies	8
Investment decisions	9
Economic recovery & returning to normal	11
Appendix: Survey population	13

---

The following may affect your legal rights:

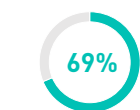
**DISCLAIMER** - This document is a private communication to clients and is not intended for public circulation or for the use of any third party, without the prior approval of Bell Potter Securities Limited. In the USA and the UK this research is only for institutional investors. It is not for release, publication or distribution in whole or in part to any persons in the two specified countries. In Hong Kong this research is being distributed by Bell Potter Securities (HK) Limited which is licensed and regulated by the Securities and Futures Commission, Hong Kong. This is general investment advice only and does not constitute personal advice to any person. Because this document has been prepared without consideration of any specific client's financial situation, particular needs and investment objectives ('relevant personal circumstances'), a Bell Potter Securities Limited investment adviser (or the financial services licensee, or the representative of such licensee, who has provided you with this report by arrangement with Bell Potter Securities Limited) should be made aware of your relevant personal circumstances and consulted before any investment decision is made on the basis of this document.

While this document is based on information from sources which are considered reliable, Bell Potter Securities Limited has not verified independently the information contained in the document and Bell Potter Securities Limited and its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information contained in this document is complete or accurate. Nor does Bell Potter Securities Limited accept any responsibility for updating any advice, views, opinions, or recommendations contained in this document or for correcting any error or omission which may become apparent after the document has been issued.

Except insofar as liability under any statute cannot be excluded, Bell Potter Securities Limited and its directors, employees and consultants do not accept any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage (whether direct, indirect, consequential or otherwise) suffered by the recipient of this document or any other person.

**DISCLOSURE** - Bell Potter Securities Limited, its employees, consultants and its associates within the meaning of Chapter 7 of the Corporations Law may receive commissions, underwriting and management fees from transactions involving securities referred to in this document (which its representatives may directly share) and may from time to time hold interests in the securities referred to in this document.

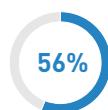
Overall the three primary concerns about the COVID-19 situation were:



The Australian economy



Health and safety of family

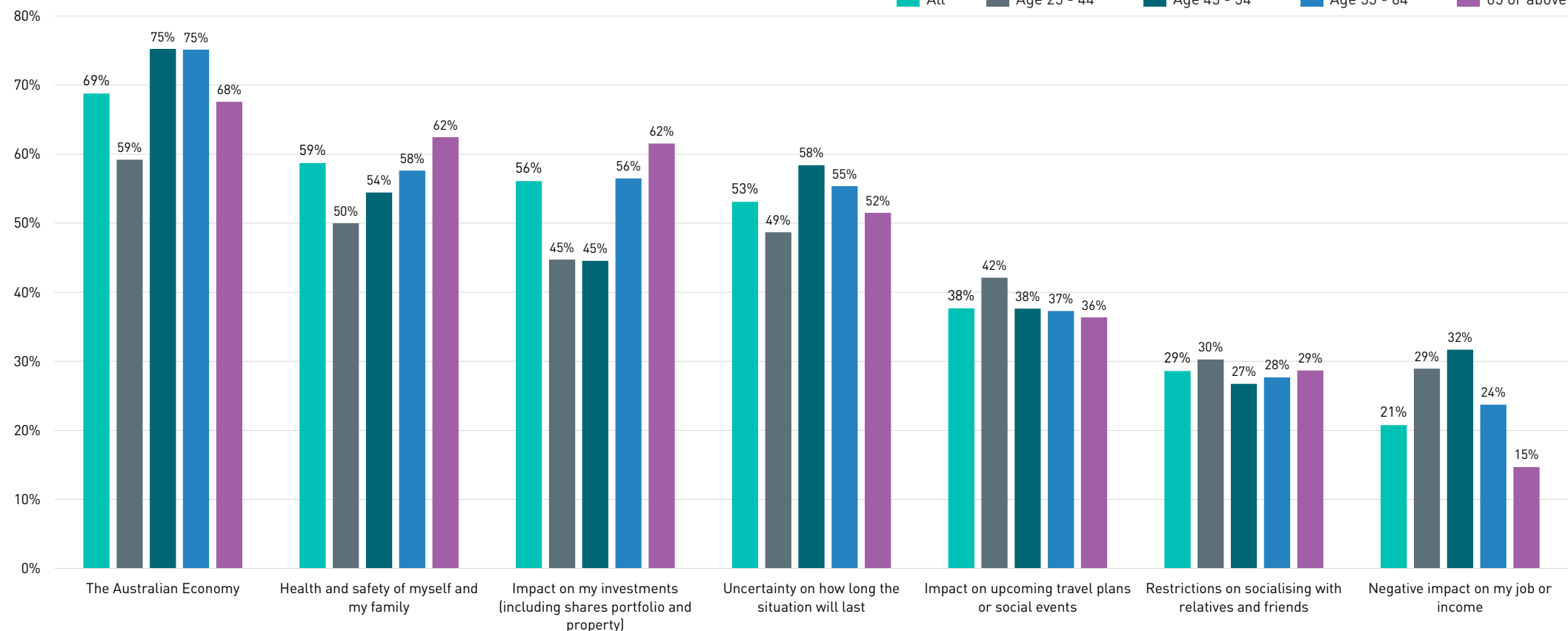


Impact on investments  
(incl. shares portfolio & property)

Other insights:

- > Uncertainty on how long the situation will last was also one of the primary concerns amongst respondents in the age groups 25 – 44 and 45 – 54
- > Our clients were least concerned about the negative impact on their job or income

## WHAT CONCERNS YOU THE MOST ABOUT THE COVID-19 SITUATION?

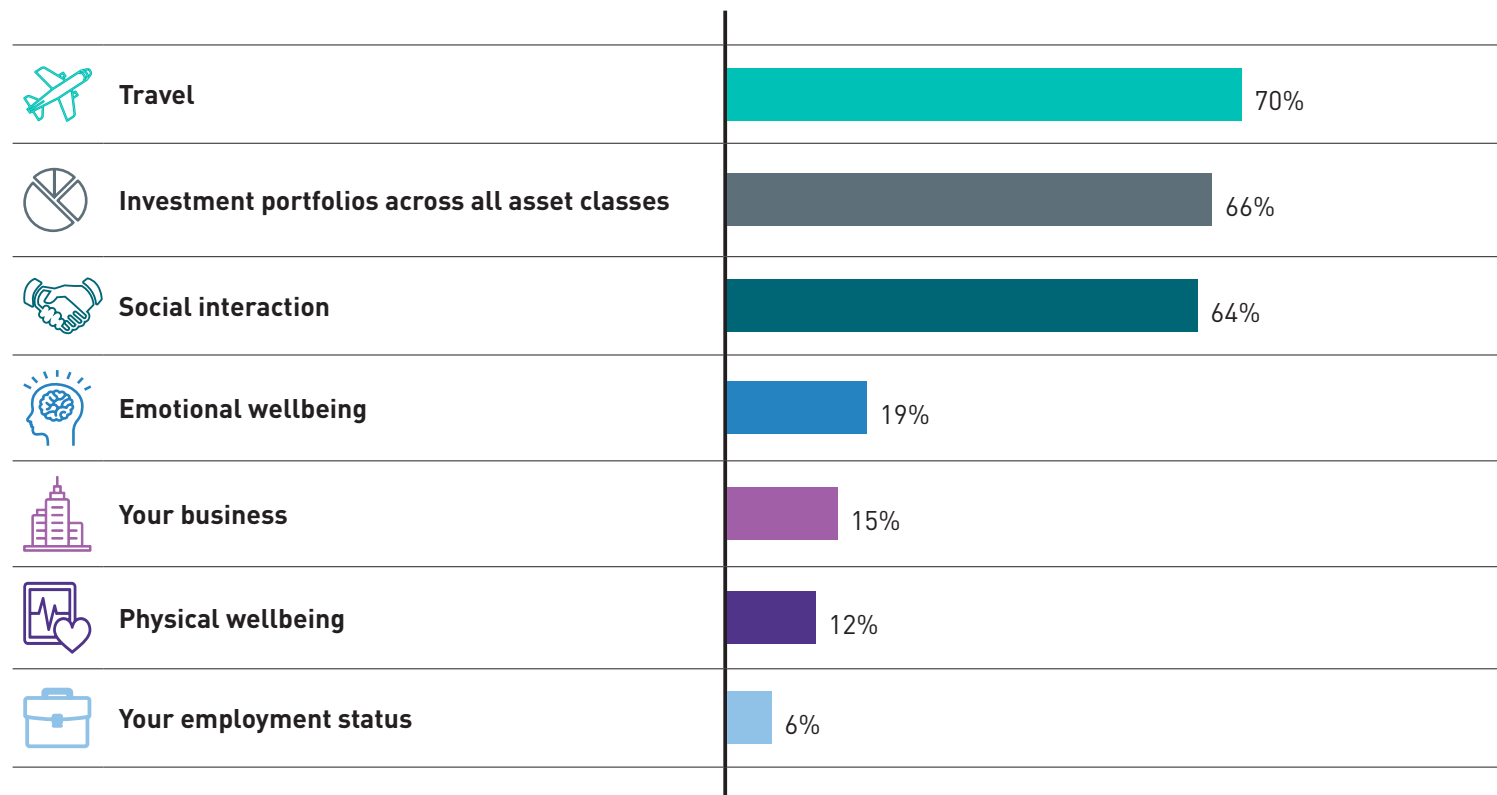


Question 4: "What concerns you the most about the COVID-19 situation? Please tick." Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices.

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

- > Roughly 66% of our clients stated that their investment portfolios across all asset classes have directly been impacted by COVID-19
- > Travel and social interaction were among the top three factors that have directly impacted our clients
- > Only 6% of our clients' employment status was directly impacted by COVID-19

## WHICH OF THE FOLLOWING HAVE DIRECTLY IMPACTED YOU SINCE THE FIRST CASES OF COVID-19 BECAME KNOWN?



Question 5: "Which of the following have directly impacted you since the first cases of COVID-19 became known? Please tick."  
 Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices.  
 Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

There was a general consensus in the three statements our clients most agreed with and least agreed with. Almost three quarters of respondents indicated that they believe the Australian government has managed the public health crisis well, and, that COVID-19 may lead to a lengthy recession.

# DO YOU AGREE WITH THE FOLLOWING STATEMENTS:

	All <sup>1</sup>	By specific Age Group:			
		25 - 44 <sup>2</sup>	45 - 55	55 - 64	65 or above
The Australian Government has managed the public health crisis well	74%	61%	69%	75%	78%
COVID-19 will have a lasting impact on the economy and may lead to a lengthy recession	74%	64%	67%	80%	75%
The worst of COVID-19 is not over	67%	50%	55%	68%	71%
I am trying to avoid public spaces as much as possible due to COVID-19	46%	39%	37%	42%	51%
I have changed my daily lifestyle as a result of COVID-19	46%	46%	45%	41%	47%
The Australian Government's plans to handle the subsequent economic crisis is satisfactory	45%	30%	45%	50%	46%
My investment portfolio has been impacted by COVID-19, but I am confident that the share market will recover in the next 6 months	33%	21%	28%	29%	38%
Household spending habits are likely to return back to normal after COVID-19 is under control	22%	28%	23%	15%	24%
My business has been impacted by COVID-19, but I am optimistic about the future	15%	24%	25%	17%	10%

<sup>1</sup> Data representation: 74% of respondents, across all age groups agreed that the Australian Government has managed the public health crisis well.

<sup>2</sup> Data representation: 61% of respondents aged 25 - 44 agreed that Australian Government has managed the public health crisis well.

Question 6: "Do you agree with the following statements? Please tick." Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices. Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

## In the next six months:



**55%** of our clients expect to **decrease** spend on Vacation & leisure travel

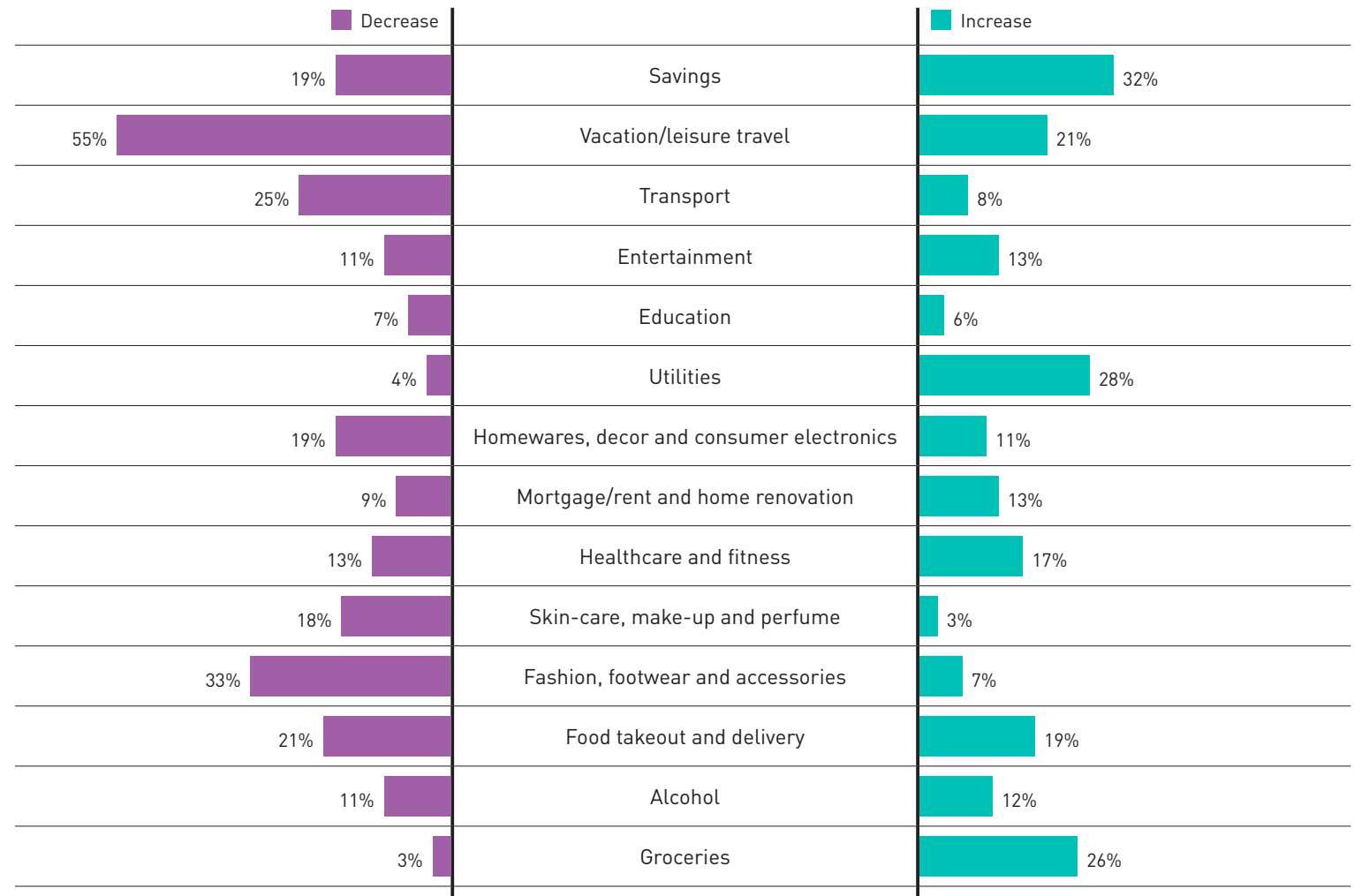


**32%** of our clients expect to **increase** their savings



**28%** and **26%** of our clients expect to **increase** their spend on Utilities & Groceries, respectively - which could be attributed to work from home measures

## IN THE NEXT 6 MONTHS, ACROSS WHICH CATEGORIES DO YOU EXPECT YOUR SPENDING TO INCREASE AND DECREASE?



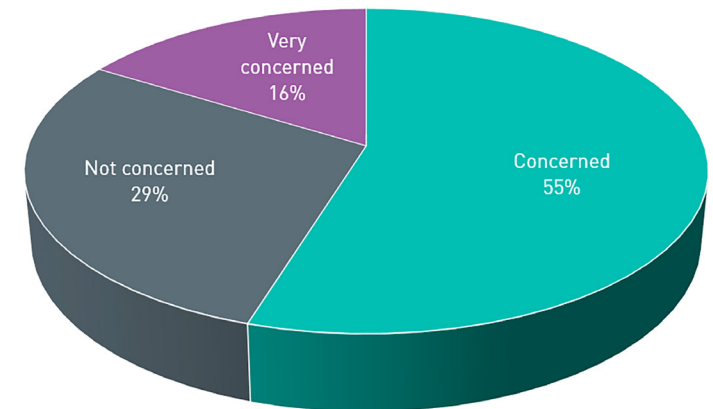
Question 7: "In the next 6 months, across which categories do you expect your spending to increase? Please tick." and Question 8: "In the next 6 months, across which categories do you expect your spending to decrease? Please tick."

Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices.

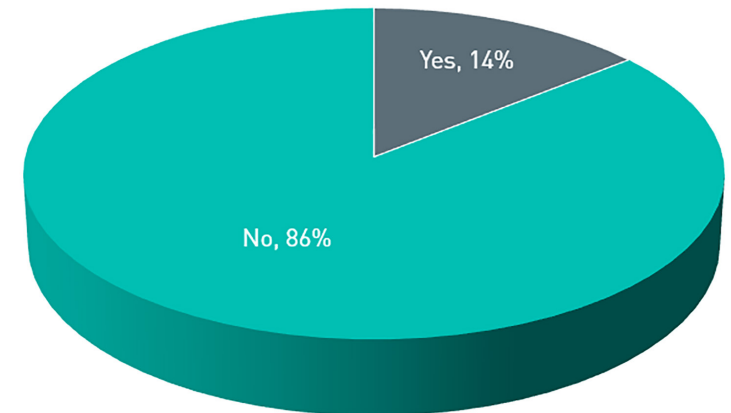
Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

- > Almost three quarters of all respondents are concerned about recent share market volatility
- > 86% of respondents were unsurprised by the decline in their share portfolios compared with the overall share market fall
- > Despite 71% being concerned about the recent share market volatility, only 14% were surprised about the decline in their share portfolio, compared to the overall share market fall
  - This implies 86% have continued to stay focused on their long term investment objectives or their portfolio has moved in line with the market movements

## HOW CONCERNED HAVE YOU BEEN ABOUT THE RECENT SHARE MARKET VOLATILITY?<sup>1</sup>



## HAVE YOU BEEN SURPRISED ABOUT THE DECLINE IN YOUR SHARE PORTFOLIO, COMPARED WITH THE OVERALL SHARE MARKET FALL?<sup>2</sup>



<sup>1</sup> Question 10: "How concerned have you been about the recent share market volatility?".

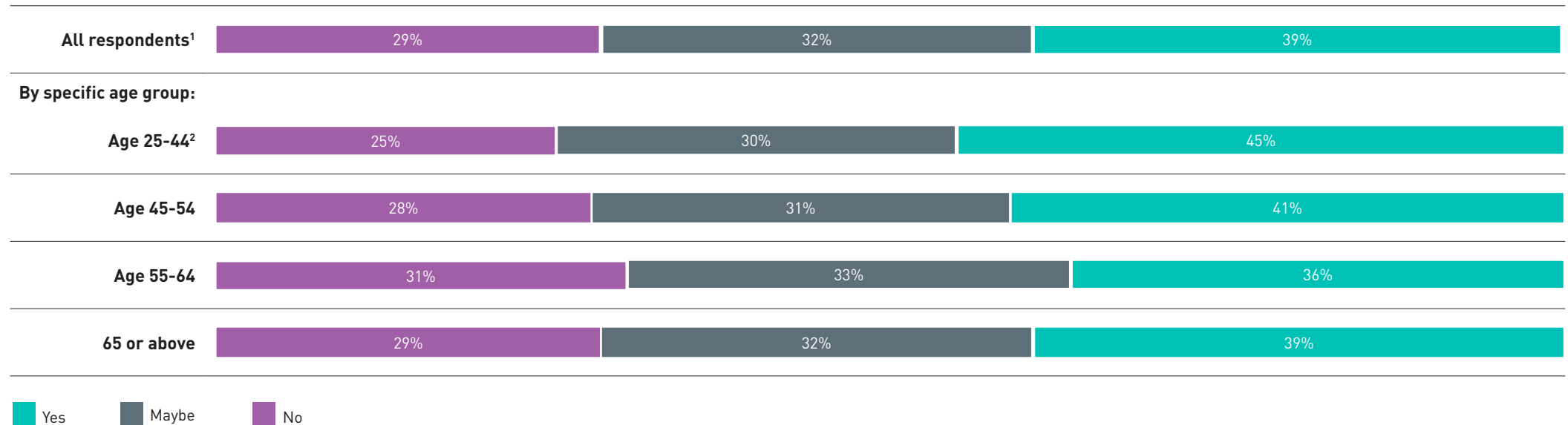
<sup>2</sup> Question 11: "Have you been surprised about the decline in your share portfolio, compared with the overall share market fall?".

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.



- > Roughly 39% of respondents indicated that they are keen to explore new strategies to increase their investment income
- > Interestingly, respondents aged 25 - 44 were slightly more keen to explore these strategies than other age groups

## GIVEN THE VERY LOW LEVEL OF INTEREST RATES, ARE YOU INTERESTED IN EXPLORING STRATEGIES TO INCREASE YOUR INVESTMENT INCOME?



<sup>1</sup> Data representation: 39% of respondents across all age groups are interested in exploring strategies to increase their investment income.

<sup>2</sup> Data representation: 45% of respondents aged 25 - 44 are interested in exploring strategies to increase their investment income.



- > Over half of our survey respondents stated that they have been monitoring and allocating their spend more carefully
- > As a result of the pandemic, 47% of our clients have invested further in equities - 'buying the dip'

## THINKING ABOUT YOUR INVESTMENTS AND FINANCIAL COMMITMENTS, HAVE YOU MADE ANY CHOICES AS A RESULT OF THE PANDEMIC?



Question 9: "Thinking about your investments and financial commitments, have you made any choices as a result of the pandemic? Please tick."

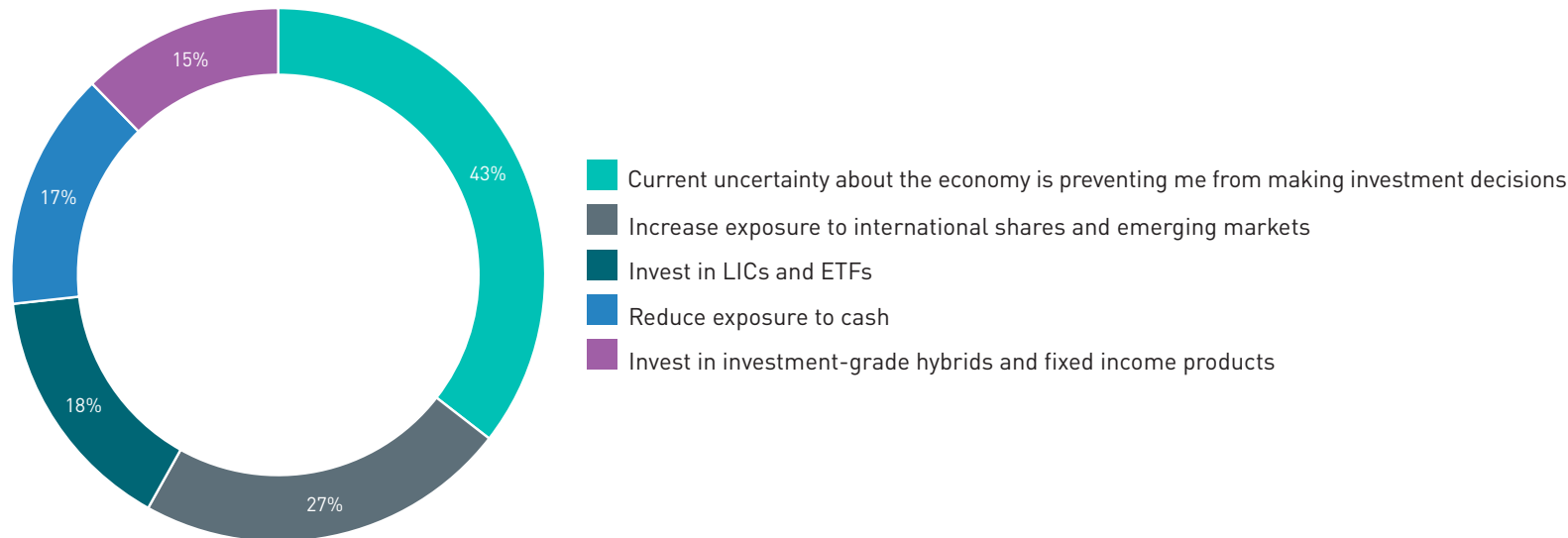
Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices.

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

## When asked about strategies that would be considered as part of diversification and rebalancing a portfolio:

- > Approximately 43% of respondents indicated that the uncertainty about the economy is preventing them from making any investment decisions
- > Over a quarter of respondents indicated interest in increasing exposure to international shares and emerging markets
- > Investing in LICs and ETFs was the third most favoured choice

## WHICH OF THE FOLLOWING WOULD YOU CONSIDER DOING AS PART OF DIVERSIFICATION AND REBALANCING YOUR PORTFOLIO?



Question 14: "Which of the following would you consider doing as part of diversification and rebalancing your portfolio? Please tick."

Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices.

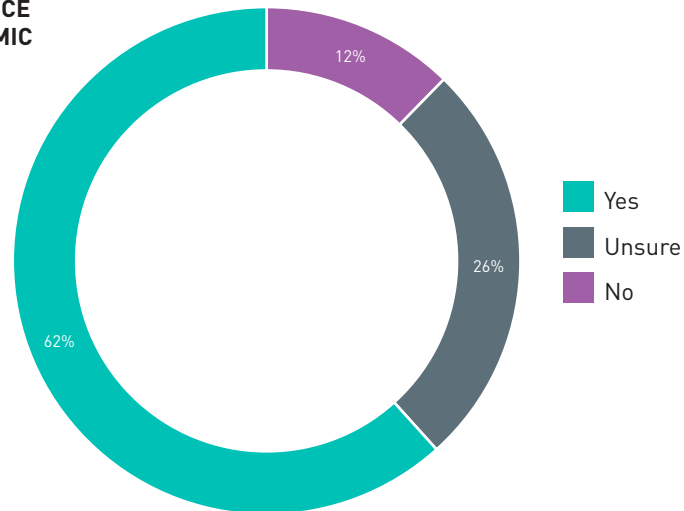
Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

# Economic recovery & returning to “normal”.

COVID-19 Investor Insights

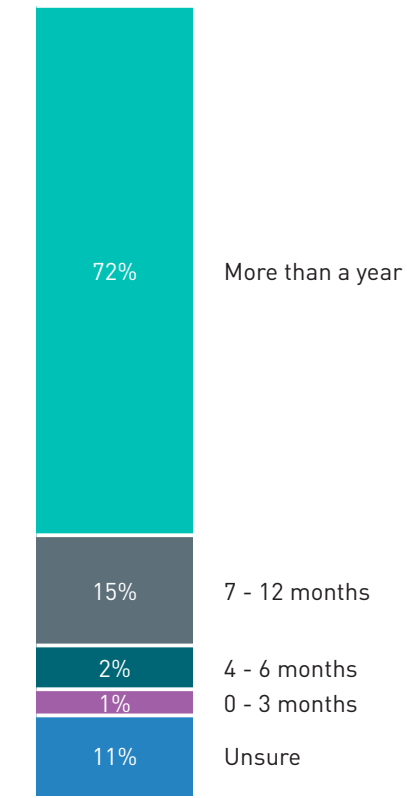
Almost 62% of our clients are confident in Australia’s economic recovery after COVID-19. This was consistent across all age groups, with all survey respondents between the ages 25 to over 65 indicating their confidence in economic recovery.

## DO YOU HAVE CONFIDENCE IN AUSTRALIA’S ECONOMIC RECOVERY AFTER COVID-19?



Over 72% of our clients believe it will take longer than a year to return to “normal”.

## WHEN DO YOU THINK WE WILL RETURN TO “NORMAL”?



Question 15: “Do you have confidence in Australia’s economic recovery after COVID-19?”

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

Question 16: “When do you think we will return to “normal”?”

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

# Returning to “normal” (cont).

COVID-19 Investor Insights

When things return to “normal”, our clients most look forward to:



1

Leisure travel



2

Social catch-ups  
with friends & family



3

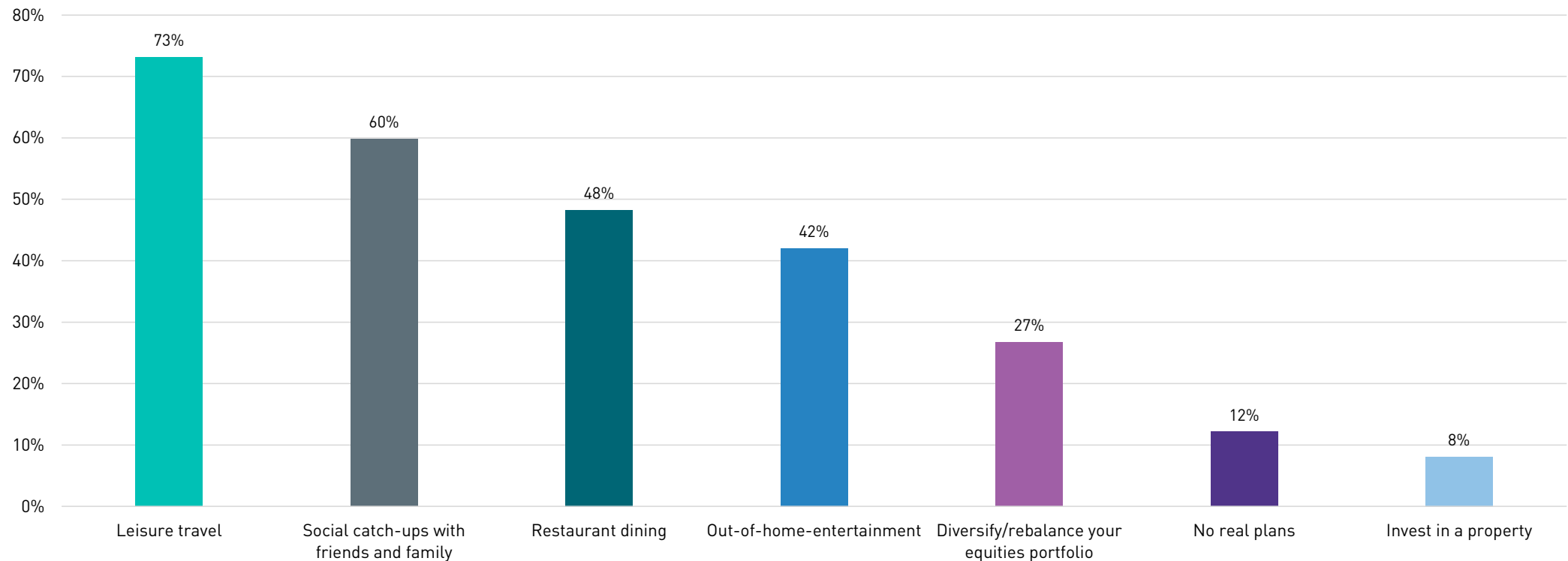
Restaurant dining



4

Out-of-home-entertainment  
(sporting events, museums, theme  
parks, arcades, cinemas, etc.)

## WHAT WOULD LIKE TO DO WHEN THINGS RETURN TO “NORMAL”?

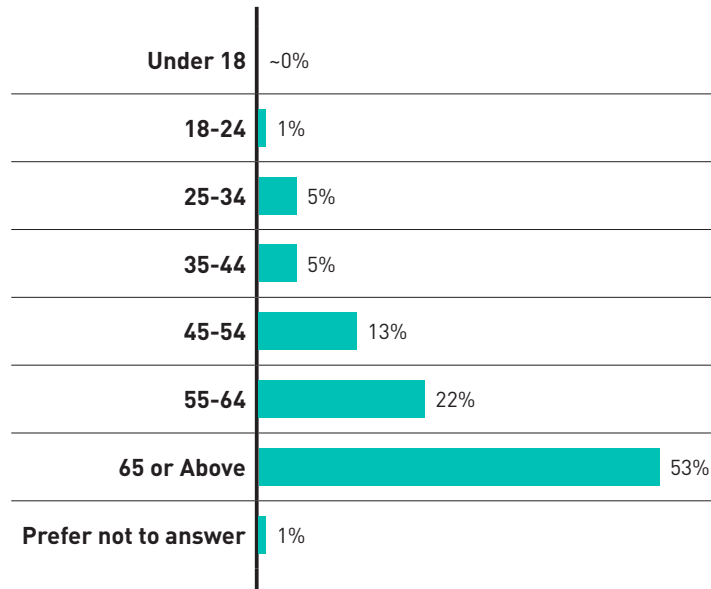


Question 17: “What would like to do when things return to “normal”? Please tick.” Percentage is based on total number of respondents, n=804.

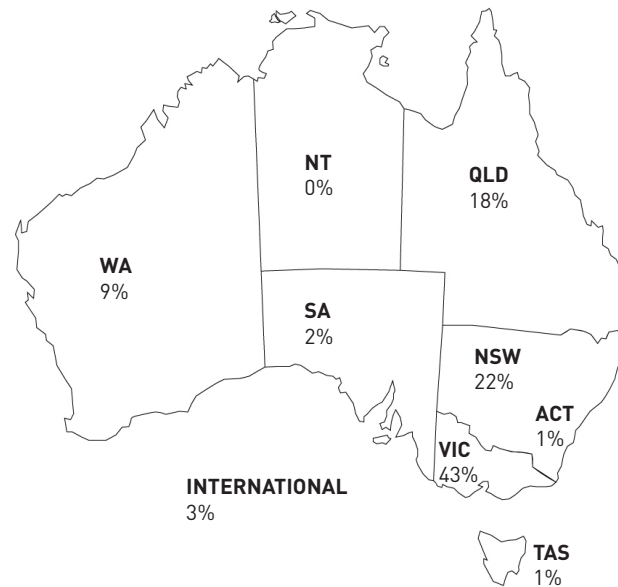
Note: This was a multiple choice question, allowing respondents to select more than one answer from a defined list of choices.

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.

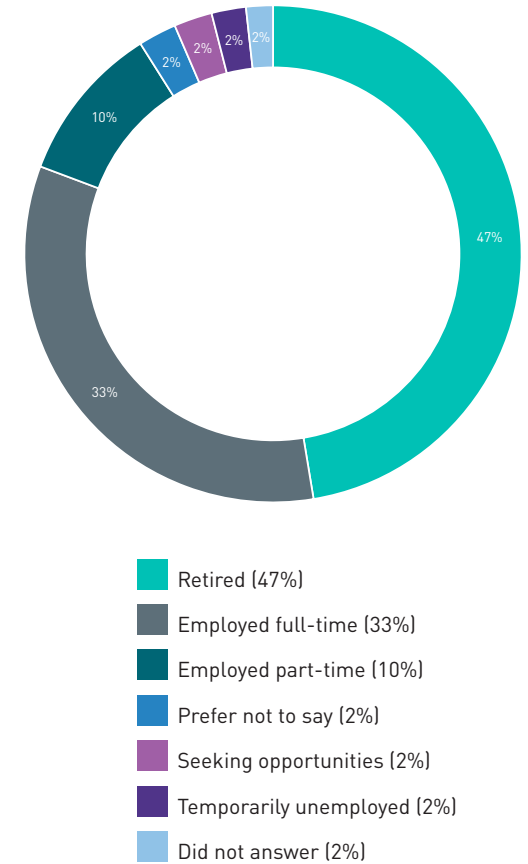
## AGE PROFILE



## LOCATION



## EMPLOYMENT STATUS



Question 1: "What is your age?"

Question 2: "Where are you located?"

Question 3: "What is your current employment status?"

Source: Bell Potter COVID-19 Investor Sentiment Survey, conducted with Bell Potter clients between June and July 2020.



**Bell Potter Securities Limited**

[www.bellpotter.com.au](http://www.bellpotter.com.au)

1300 023 557