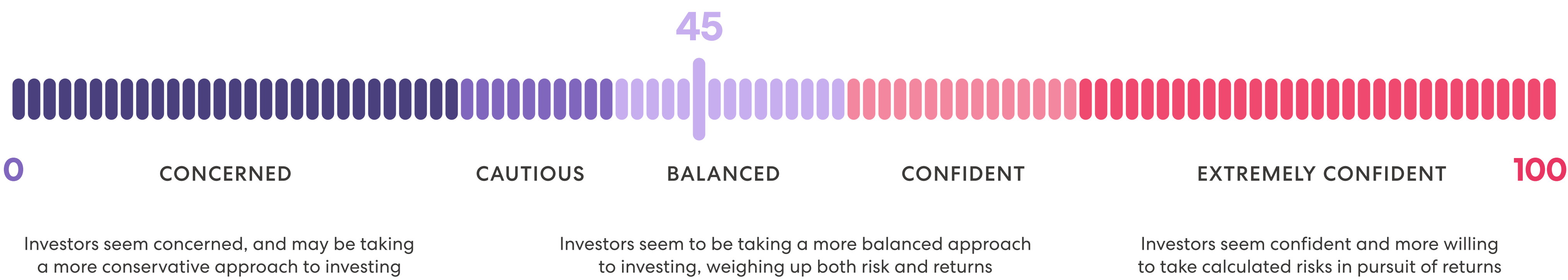


Sharesies Index

How confident are retail investors feeling in the current market?



SUMMARY

- Sharesies **achieved a record quarter with NZD\$1.28B** traded. Although April saw a dip from March's peak, robust growth in May and June resulted in the highest quarterly trading volume to date. US tech stocks, notably NVIDIA and AI-related investments, spurred strong volumes, marking **our highest trading day with NZD\$36.3M on 21 June**.
- **Retail investor confidence is up, finishing the quarter in the 'balanced' range** for the first time in over a year. Strong net deposits, growing buy to sell ratios and record trading combined to end the quarter with the Sharesies Index at 45.
- The **net deposit ratio soared this quarter**, peaking at 1.98 in late June. The ratio averaged over 1.5 across the full quarter, as customers funded their investing by adding to the platform with **deposits reaching a high not seen since 2021**.
- Meme stocks moved up the ranking in the Sharesies Bundle, with GameStop and AMC Entertainment as the top movers. Media hype this quarter may have helped drive a net increase in investors, the first uptick in over two years.

WHAT IS THE SHARESIES INDEX?

We developed the Sharesies Index to gauge how retail investors in Australia and New Zealand may be feeling about investing and their wealth, to indicate where the mood is trending.

We aggregate anonymised data from across Sharesies to produce the Sharesies Index and rank aggregated investor confidence on a scale from 0 (concerned) to 100 (extremely confident).

With over 650,000 investors on Sharesies, we have one of the largest datasets in New Zealand from which to gather retail investor insights.

Key inputs to the Sharesies Index include the ratios of buying and selling, deposits and withdrawals, investing in companies versus funds, average amount bought per customer and the volatility of the 'Sharesies Bundle' (the 50 most owned investments on Sharesies).

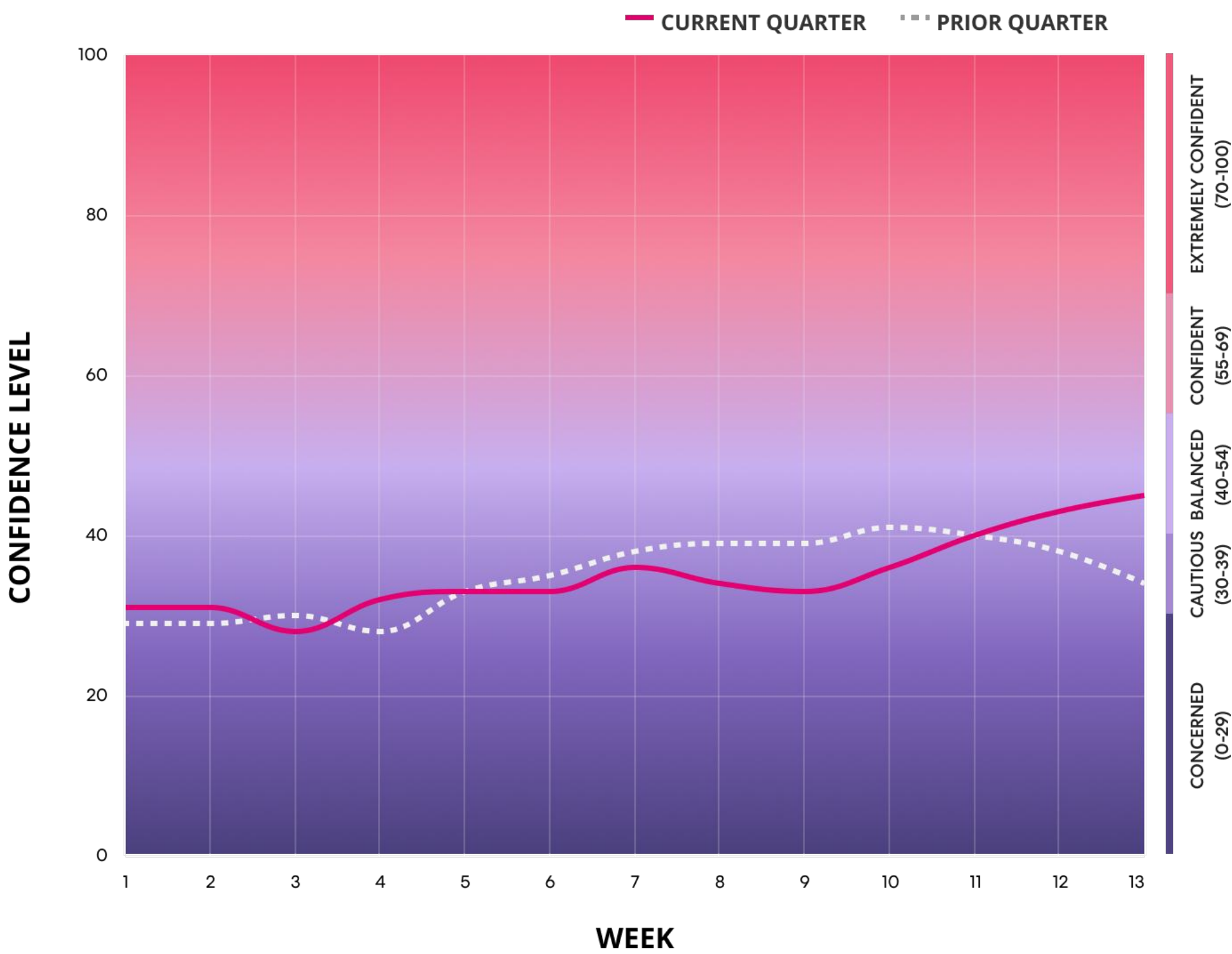
The Sharesies Index is updated and released every three months in line with the financial quarter.

QUARTERLY INDEX RESULTS

April 2024 - June 2024

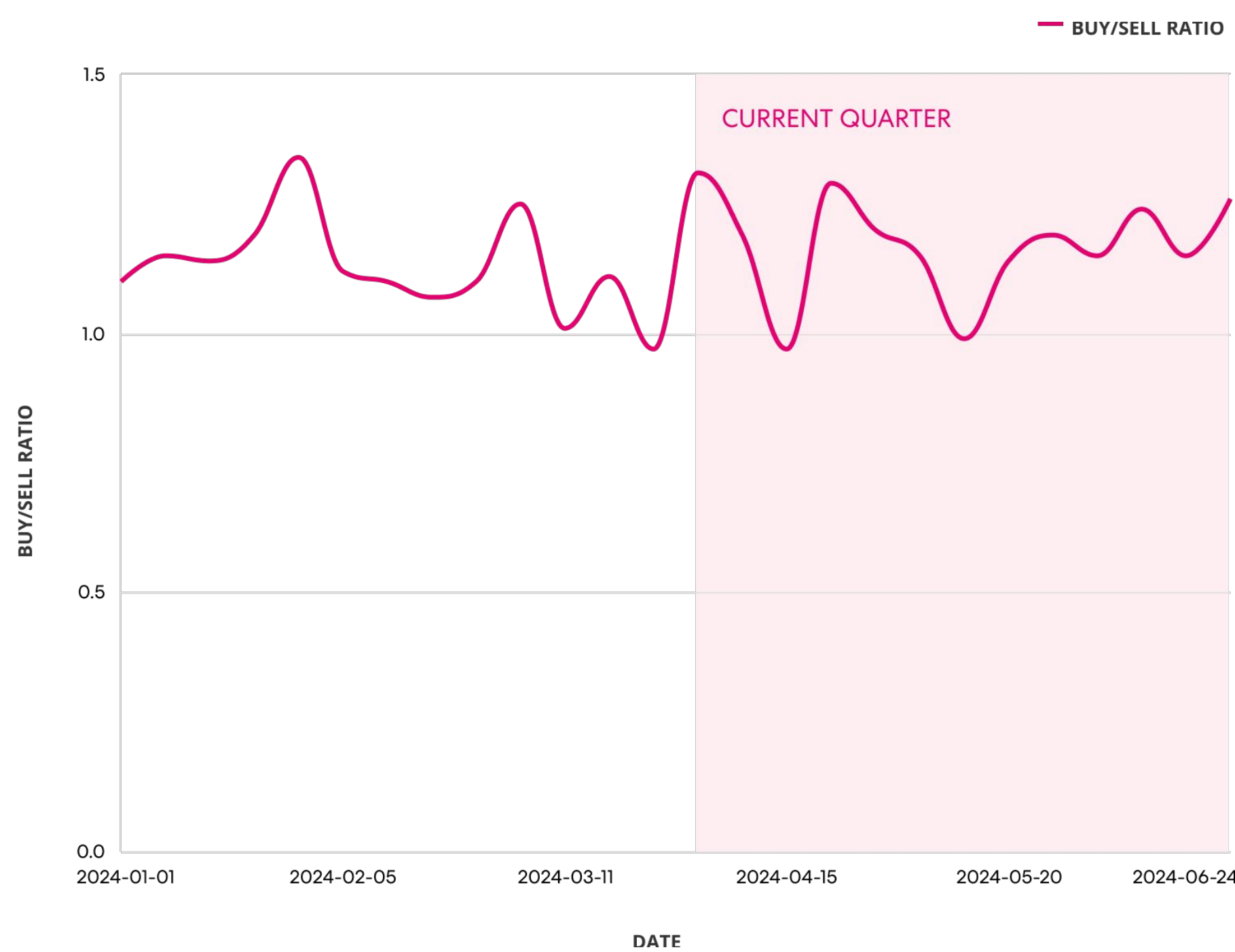
Although retail investor sentiment has remained relatively consistent in the 'cautious' range throughout 2024, there was a shift upwards this quarter. After an initial dip in confidence in April, continued growth and strength in key indicators through the later half of the quarter saw the Index landing at 45, in the 'balanced' range.

This sentiment is reflected in a quarter of record trading, growth in the Index's underlying metrics and strong performance in the wider markets.



Key Indicators

What are the indicators that underpin the Sharesies Index?



NET BUY/SELL RATIO

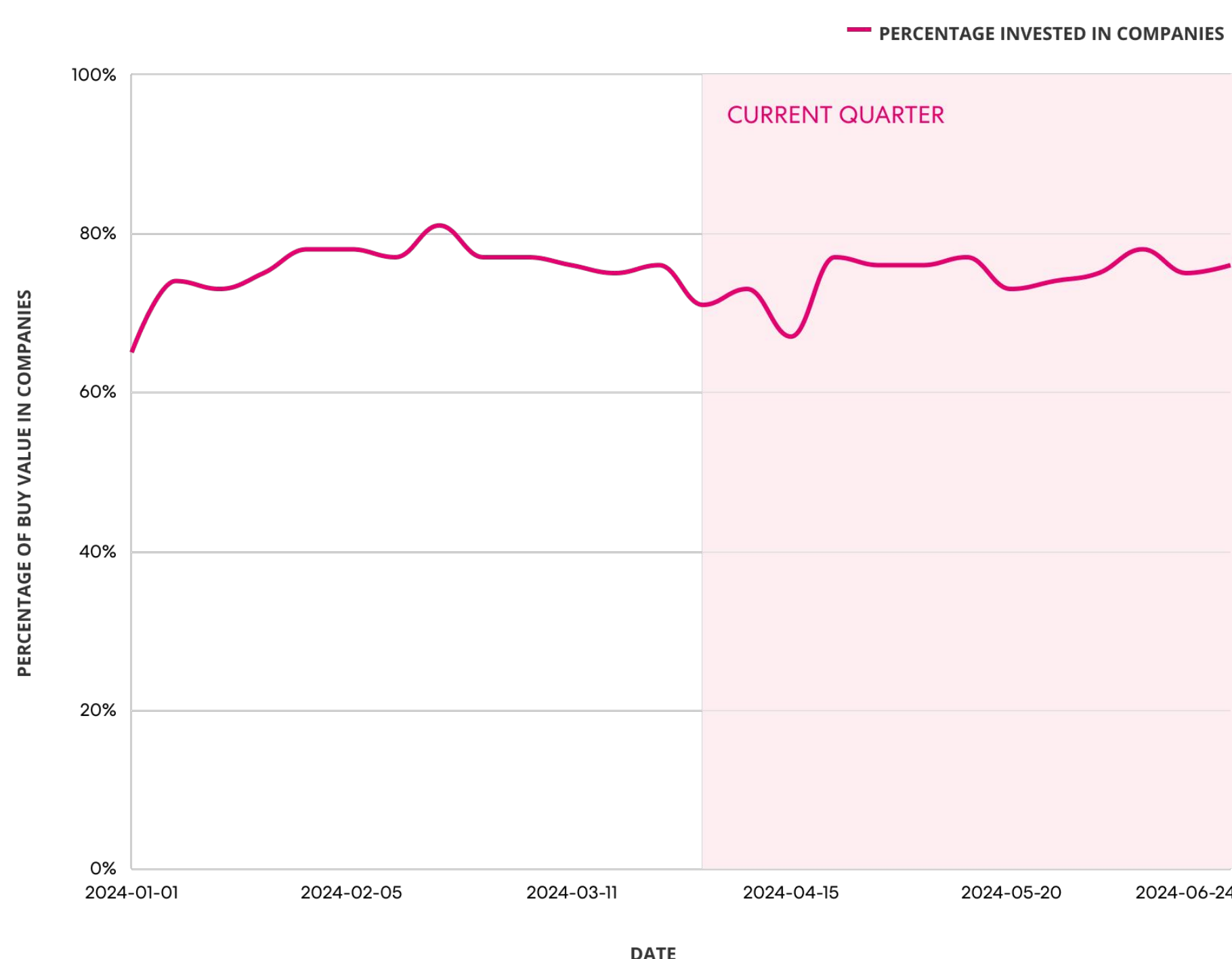
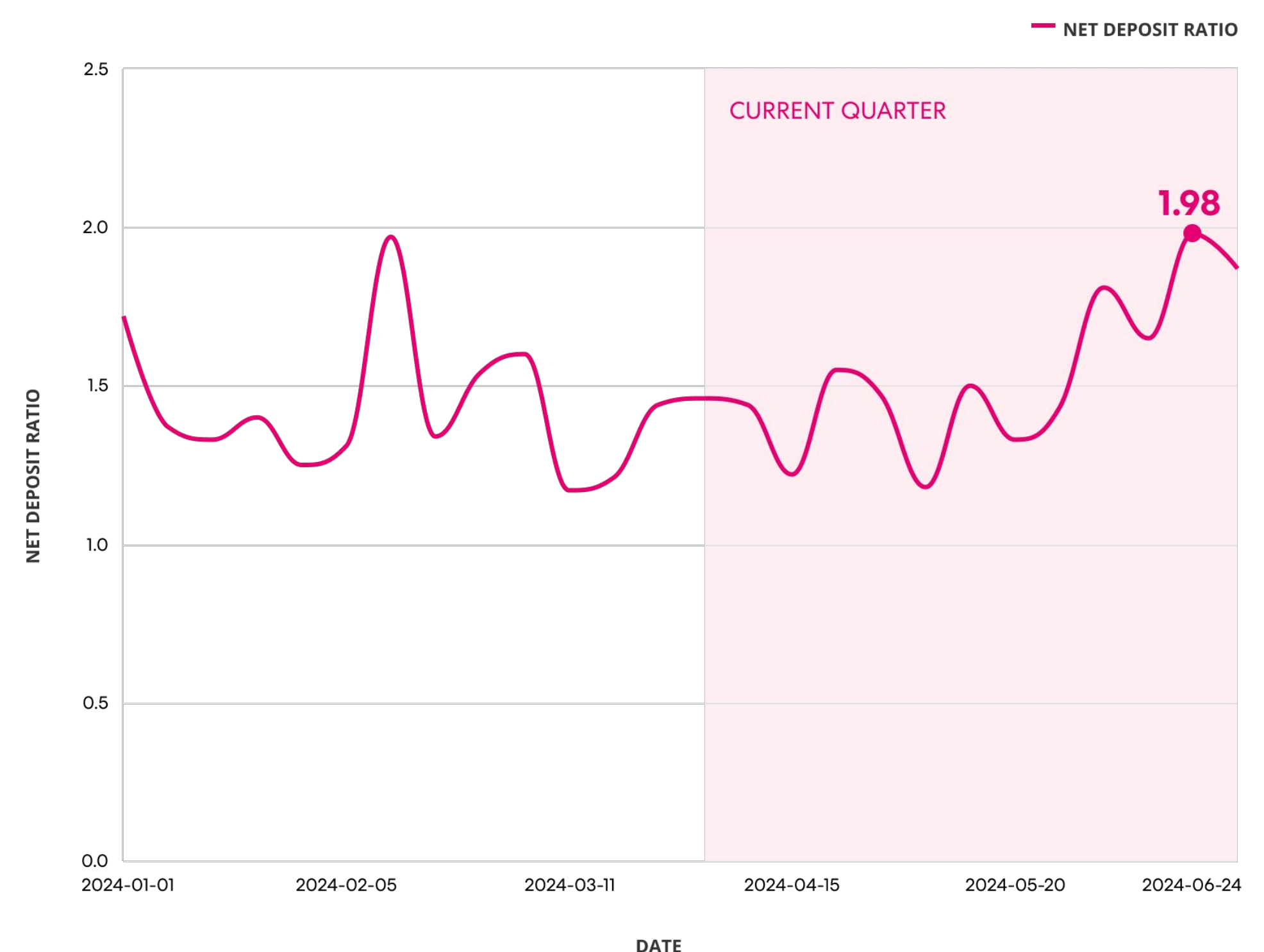
Week to week within the quarter there was increased variability in the buy to sell ratio, with a range of 0.97 to 1.31. This may be driven by the wider market volatility with investors buying and selling in response to changing market conditions. The full quarter saw a positive buy to sell ratio, averaging 1.17, an increase on the prior quarter, indicating that even through periods of volatility, retail investors continued buying to grow their investments.

The Net Buy/Sell Ratio is the difference between the total buying and selling values on Sharesies. A Net Buy/Sell Ratio greater than one is when buying outstrips selling and generally is an indicator of confidence. Conversely, a Net Buy/Sell Ratio of less than one may indicate more concern if coupled with other indicators such as withdrawals.

NET DEPOSIT RATIO

The Net Deposit Ratio was up from the previous two quarters, averaging 1.5, compared to 1.4 and 1.3, although still below the 2021-2022 peaks. The two highest Net Deposit Ratio weeks of 2024 were seen in the final two weeks of this quarter, at 1.98 and 1.86 respectively, meaning for each dollar withdrawn from the platform we saw nearly two deposited. The strong ratio was due to increased deposits, reaching the highest quarterly amount since 2021, and low withdrawals, with June being the lowest withdrawal month of the year.

The Net Deposit Ratio measures the flow of funds into and out of Sharesies for our Invest and Save products. It is the difference between the total amount deposited and the total amount withdrawn. Historically, a higher Net Deposit Ratio has indicated higher levels of investor confidence.



PERCENTAGE INVESTED IN COMPANIES (PIC)

The Percentage Invested in Companies (PIC) averaged 74% this quarter, a slight decrease from the previous. The PIC followed a similar trend to other metrics, hitting its lowest point in mid-April, at 67%, and growing later in the quarter with June averaging 76%.

The PIC refers to the percentage of investing that goes into individual companies versus investment funds (managed funds and exchange-traded funds). A higher PIC may indicate higher confidence, with investors prepared to take a risk on their company picks, whereas, in periods of lower confidence, investors tend to seek more diversification using funds.

Sharesies Bundle

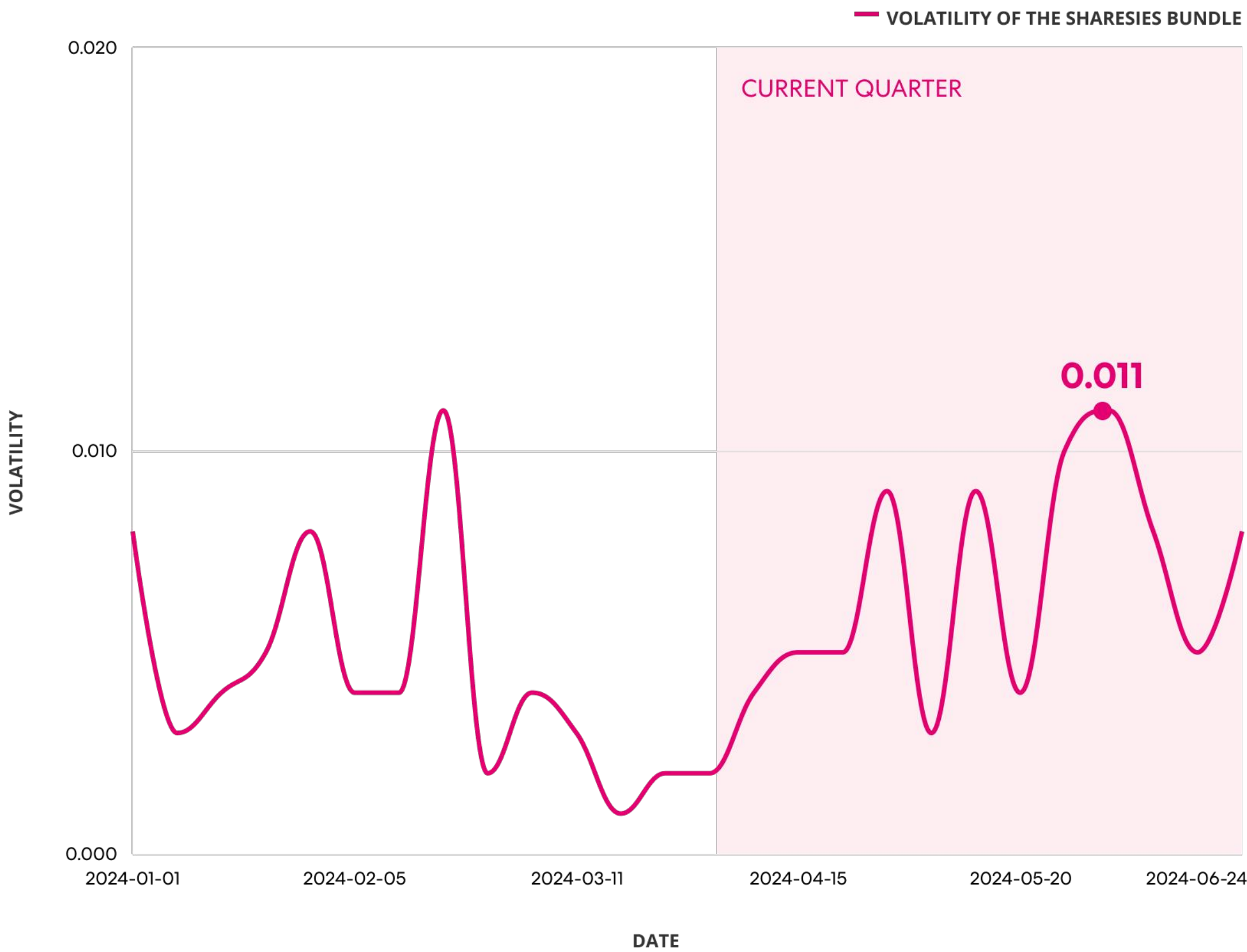
The Sharesies Bundle looks at the 50 most-owned instruments on Sharesies. We look at the percentage that each instrument represents within our investors’ portfolios to produce an aggregated percentage and ranking for the Bundle across all Sharesies investors. We use this approach to identify the investments that have the most widespread popularity across our Sharesies investor community.

The Bundle is updated each quarter, as some instruments grow and others fall in relative popularity. The top ranked instruments, spilt by companies and ETFs/Funds, are shown below.

VOLATILITY OF SHARESIES BUNDLE

Volatility of the Sharesies Bundle increased this quarter, averaging 0.0066 vs 0.0045 in the previous quarter. This increased volatility may have driven some of the increased variability seen in other input metrics to the Sharesies Index, as investors responded to the large swings in prices of widely held instruments.

The volatility of the Sharesies Bundle measures the degree of fluctuation in price for each instrument in the Bundle which is then weighted and aggregated into the volatility score. When volatility is high, it means there is higher exposure to the risk of rapid price changes. Big fluctuations in instrument price can create feelings of uncertainty when observing large movements in portfolio value and dramatic changes in prices when making buying decisions.



TOP 5 COMPANIES

AIR NEW ZEALAND LTD	Rank: 1
TESLA INC	Rank: 3
NVIDIA CORP	Rank: 5
APPLE INC	Rank: 7
AUCKLAND INTERNATIONAL AIRPORT LTD	Rank: 11

NVIDIA continued its growth up the Sharesies Bundle, landing at the third ranked company, and fifth instrument overall, overtaking Apple and bumping Microsoft out of the top five companies.

TOP 5 FUNDS

SMARTSHARES US 500 ETF	Rank: 2
PATHFINDER GLOBAL RESPONSIBILITY FUND	Rank: 4
SMARTSHARES NZ TOP 50 ETF	Rank: 6
VANGUARD 500 INDEX FUND ETF	Rank: 8
PATHFINDER GLOBAL WATER FUND	Rank: 9

The top ETFs and Funds on the platform remained consistent again this quarter. These instruments are typically used to dollar-cost-average, often through our auto-invest feature and are consistent holdings, staying in investor’s portfolios for longer periods.

● COMPANY ● ETF ● MANAGED FUND

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TOP MOVERS Instruments that moved up the ranking

GAMESTOP CORP	▲10	Rank: 27
AMC ENTERTAINMENT HOLDINGS INC	▲9	Rank: 47
FONTERRA SHAREHOLDERS FUND	▲7	Rank: 21
ISHARES S&P 500 ETF AUD	▲5	Rank: 40
VANGUARD AUSTRALIAN SHARES INDEX ETF	▲5	Rank: 35

Meme stocks, GameStop and AMC, took out the top two spots and we dive into this growth below. Fonterra Shareholders' Fund also increased, likely driven by Sharesies' partnership with Fonterra that launched this quarter and two Australian ETFs round out the top five.

TOP SHAKERS Instruments that moved down the ranking

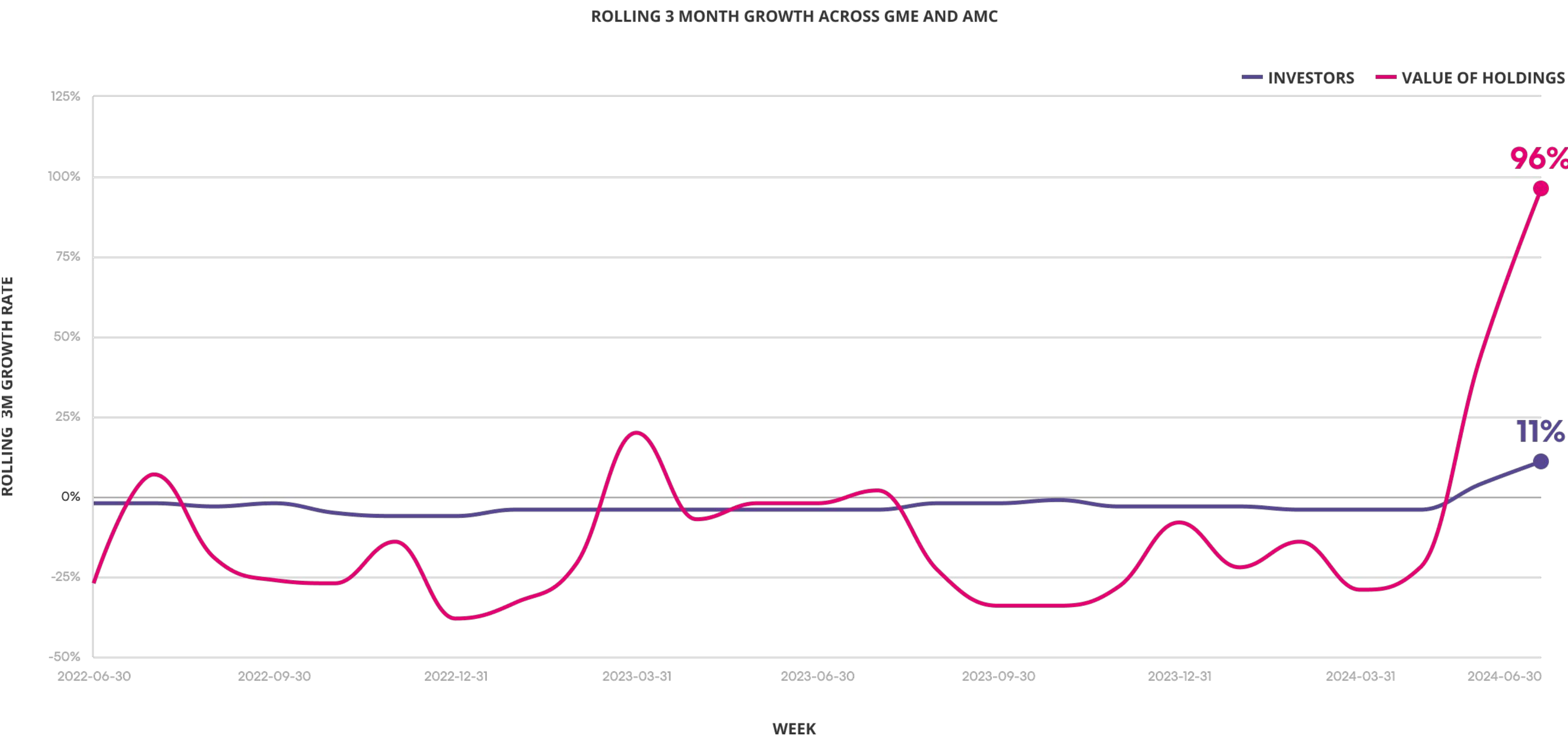
TOURISM HOLDINGS LTD	▼8	Rank: 54
SMARTSHARES ASIA PACIFIC ETF	▼4	Rank: 15
PATHFINDER GLOBAL PROPERTY FUND	▼4	Rank: 22
AMAZON.COM INC	▼4	Rank: 24
RYMAN HEALTHCARE LTD	▼4	Rank: 29

We saw a wide range of instruments, both in type and exchange, dropping down the Sharesies Bundle. Tourism Holdings saw a decline of 8 places after cutting earnings forecasts in May. Two globally focused instruments, Smartshares Asia Pacific ETF and Pathfinder Global Property Fund, dropped down four places each, but both remained in the top 25.

GAMESTOP AND AMC SURGE DRIVEN BY MEDIA HYPE AND LONG-TERM INVESTORS, SEEING FIRST NET INVESTOR GROWTH IN YEARS

This quarter saw GameStop and AMC Entertainment place as the top movers, gaining 10 and 9 places in the Sharesies Bundle respectively. The media hype over the past few months may have helped drive an uptick in investors, for the first time in over 2 years. However despite this, their sharp climb in the Bundle seems to be driven mainly by increasing prices which increases the percentage these instruments make up in our investors' portfolios.

We've seen a net increase of only 11% in the number of investors across the quarter, compared with a 96% increase in holdings for the same period. Despite this latest resurgence driving some new investors to GameStop and AMC, over 73% of investors have been holding these stocks for over two years, with an average number of days held over 900. Throughout the quarter, there has been a slight net buy preference, with a buy to sell ratio of 1.07, meaning the vast majority of the increased holdings is driven not by new or existing customers buying, but instead by significant share price increases. The buy to sell ratio of 1.07 also indicates that customers aren't broadly taking advantage of the high prices as an opportunity to sell down their holdings.



Methodology & Data

The Sharesies Index is a proprietary index which uses highly aggregated and anonymised data from activity we see across over half a million investors that have joined Sharesies. Sharesies is a wealth development platform with the purpose of creating financial empowerment for everyone.

To build the Sharesies Index, we've selected a basket of indicators which we believe are correlated with investor confidence. We aggregate the indicators into a single metric using Principal Components Analysis (PCA). PCA is a statistical method which is commonly used to reduce the dimensionality of datasets. The Sharesies Index is based on the first principal component, which explains the majority of the movement in the underlying indicators. By using PCA, we hope to simplify the interpretation of complex data and create a more meaningful index that is designed to gauge how people may be feeling about investing.

The Index doesn't look into individuals' portfolio data, it does not involve surveying investors and it does not disclose any data that could identify individual investors.

DATA SOURCES

Data is from both New Zealand and Australia across Sharesies' Invest and Save products. We do not include depositing or trading data from our KiwiSaver product in the Sharesies Index.

Net Buy/Sell Ratio

This is the difference between total buying and selling values on a weekly basis and includes trading activity across ASX, NZX and the US exchanges we provide access to (NYSE, NASDAQ and CBOE). While buying and selling volumes may go up and down over time we are interested in the difference between aggregated buying and selling values because the ratio isn't unduly influenced by growth in investor numbers or portfolio values.

Net Deposit Ratio

The Net Deposit Ratio shows the difference between total deposits and total withdrawals from the Sharesies Wallet, which services both the Invest and Save products. We've included Save as we believe this may be an indication of investors' disposable income and, propensity to invest for the future so it will help us understand investors' wealth beyond retail investing.

Percentage Invested in Companies (PIC)

The Percentage Invested in Companies uses trading data from ASX, NZX and the US exchanges and looks across companies, ETFs and managed funds. This is a highly aggregated proxy that we believe indicates changes in the overall risk appetite of investors who use Sharesies.

Volatility of Sharesies Bundle

For the Sharesies Bundle, we determine the top most held investments by considering the percentage of ownership across all investments for all our investors. To ensure a fair representation, we apply a weighted average that values each investor equally in the aggregate score, regardless of the investor's portfolio value. This means that even if a particular investor has a smaller portfolio, their investment choices will have equal impact on the overall rankings of investments.

The volatility of the Sharesies Bundle is calculated using a weighted average for the volatility of each instrument in the Bundle, which is then rolled up into a single metric. Again, the weighting is based on the same logic used to determine the instruments in the Sharesies Bundle. This is not the same as the volatility for a portfolio where an investor owns the whole Sharesies Bundle as it does not consider the impact of diversification on volatility.

DISCLAIMER

The information in the Sharesies Index is made available to you on an "as is" basis and the reporting methodology may change from time to time — you're responsible for checking the accuracy of any information that you use. The Sharesies Index contains general aggregated information only — we don't provide any financial advice or recommendations. Investing involves risk, and past performance isn't always going to be an accurate predictor of future performance. The information in the Sharesies Index is based on the data we have available to us, at the date it was extracted. None of the information from the Sharesies Index is investment, financial, legal or tax advice, and we aren't liable for your use of the information in that way, or for any inaccuracy, error, or incompleteness of any information. You should consider seeking independent legal, financial, taxation or other advice when considering whether an investment is appropriate for your particular objectives, financial situation, or needs.

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LEARN MORE

If you have any questions or would like to learn more about how you can use the Sharesies Index, please reach out to us at media@sharesies.co.nz.