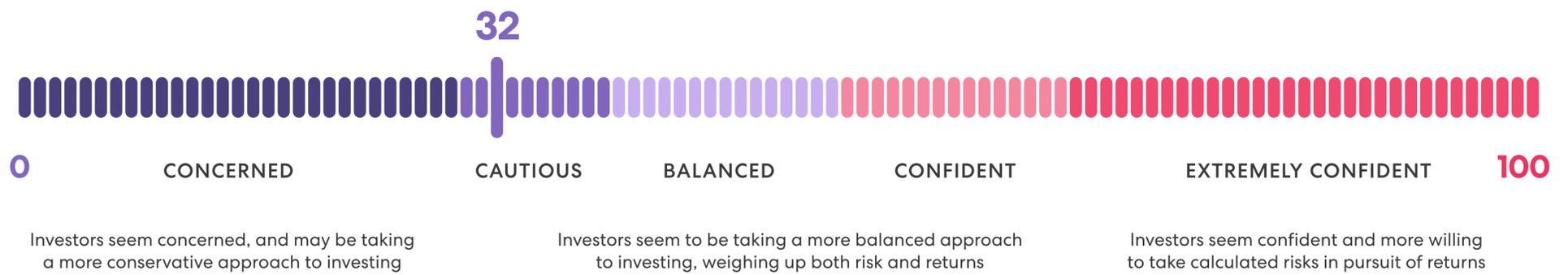


Sharesies Index

How confident are retail investors feeling in the current market?



SUMMARY

- Sharesies experienced our **highest-ever trading month** in March 2024, with total trade volumes of **NZD\$488m**. We attribute this to US tech stocks rallying, new investors entering the market at higher rates than we've seen over the past 18 months, and previously hesitant investors increasing their activity.
- Our **highest individual trading day** on record was 5 March with **NZD\$35.7m traded**. This was mostly driven by activity across two microcomputing companies, NVIDIA Corp and Super Micro Computer Inc. The latter has recently joined the S&P 500 Index.
- Retail investor sentiment was slightly up. But even with a rise in trading, investor behaviour continues to **indicate a mood of caution**, with the Sharesies Index remaining in the 'cautious' range throughout the quarter. This is consistent with continued economic challenges, including a **technical recession in New Zealand** and ongoing high **inflation** in Australia and New Zealand.
- The popularity of tech stocks, in particular **microcomputing companies**, seems to have led investors to focus on the US markets, with investing volumes in **US markets increasing 58% in the last quarter**. US trading comprised 75% of trading volumes in March, compared with 17% and 9% for NZX and ASX, respectively.

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 half a million 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, and the volatility of the 'Sharesies Bundle' (the 50 most owned investments on Sharesies).

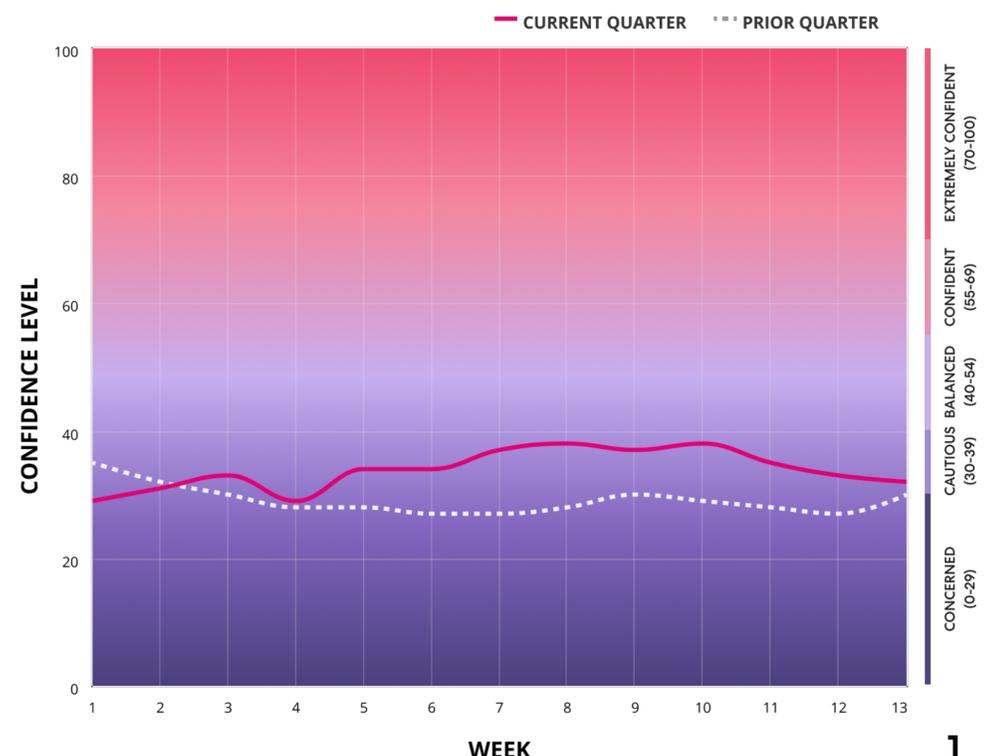
The Sharesies Index is updated and released every three months in line with the financial quarter.

QUARTERLY INDEX RESULTS

January 2024 - March 2024

Since the start of 2024, retail investor sentiment trended slightly upwards, remaining in the 'cautious' level but reaching the cusp of 'balanced' at 38 points in mid-February. Confidence dropped back slightly to close the quarter at 32 points, in the 'cautious' range.

Confidence averaged 5 points higher this quarter compared to the previous quarter. This returning confidence was reflected in investor activity, including our highest-ever trading month in March and close to 35,000 new investors joining the Sharesies platform this quarter.



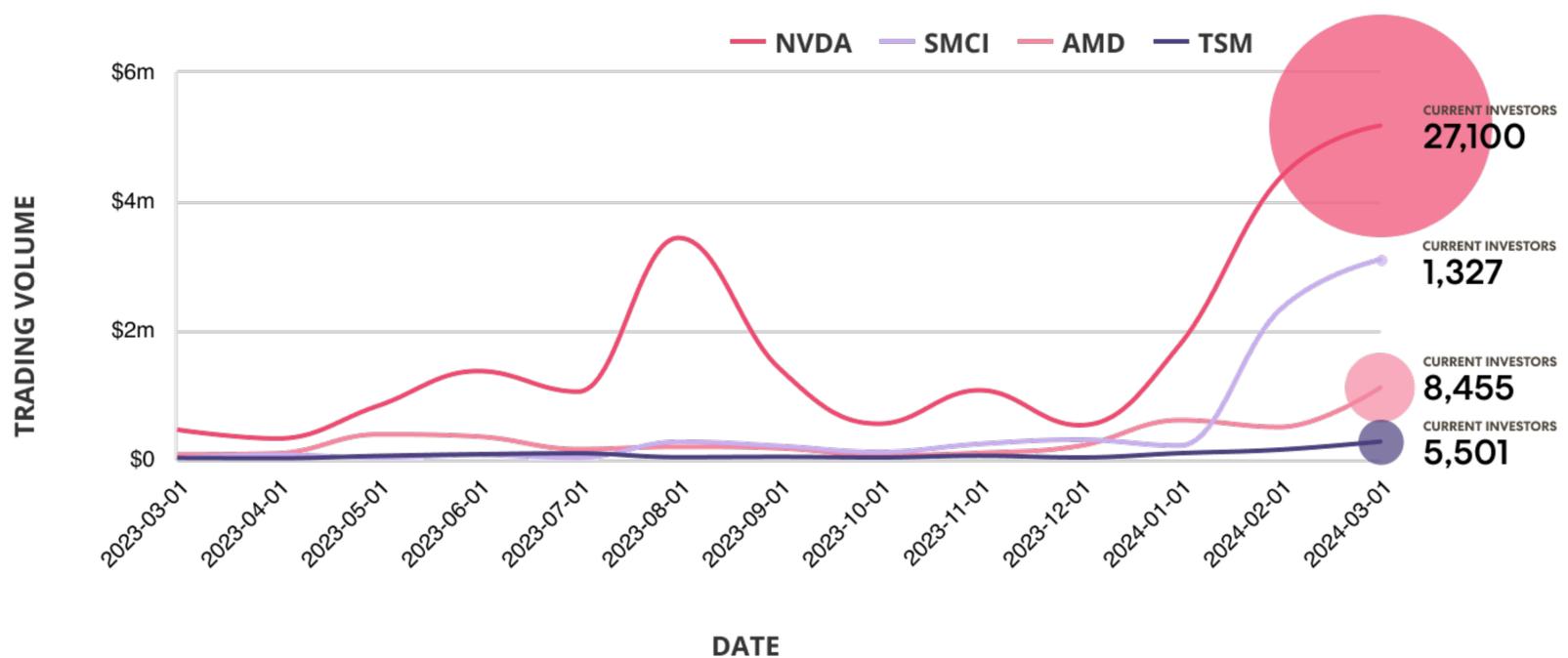
RETAIL INVESTORS CAPITALISE ON AI SECTOR GROWTH

Retail investing in the AI sector has recently intensified, with increased interest in leading microcomputing firms such as NVIDIA (NVDA), Advanced Micro Devices, Inc (AMD), Taiwan Semiconductor Manufacturing (TSM) and Super Micro Computer Inc (SMCI). This quarter witnessed remarkable growth with NVIDIA's stock price soaring by 82%, AMD's by 22%, TSM's by 31%, and Super Micro Computer's by a remarkable 255%.

NVIDIA stood out in its popularity, climbing 17 spots in the Sharesies Bundle to our fourth most popular company. Total holdings on the Sharesies platform soared by more than 165% and more than 25,000 Sharesies investors. AMD experienced a rise of more than 30% in Sharesies investor numbers, with total holdings on the Sharesies platform in AMD climbing by 82%. Super Micro Computer was a less familiar stock with many of our investors at the start of the quarter, but saw a steep rise in trading volumes and investor interest in March.

The trend suggests that retail investors are increasingly aware of AI as a critical driver of future economic value.

MICROCOMPUTING STOCK TRADING VOLUMES AND CURRENT SHARESIES INVESTORS



Key Indicators

What are the indicators that underpin the Sharesies Index?



NET BUY/SELL RATIO

At the end of March, the Buy/Sell Ratio dipped to 0.96, with slightly higher selling than buying activity in the final week. This was due to a trend observed in the previous quarter, where some investors took profits on stocks that had seen considerable price increases.

Even with the Buy/Sell Ratio falling below one on an individual week (more sells than buys), our data shows depositing was consistently greater than withdrawing. With soaring prices in a number of widely held investments, the selling was a rational approach by investors who had made gains. This investor behaviour signalled investors seemed to be feeling confident enough to make moves.

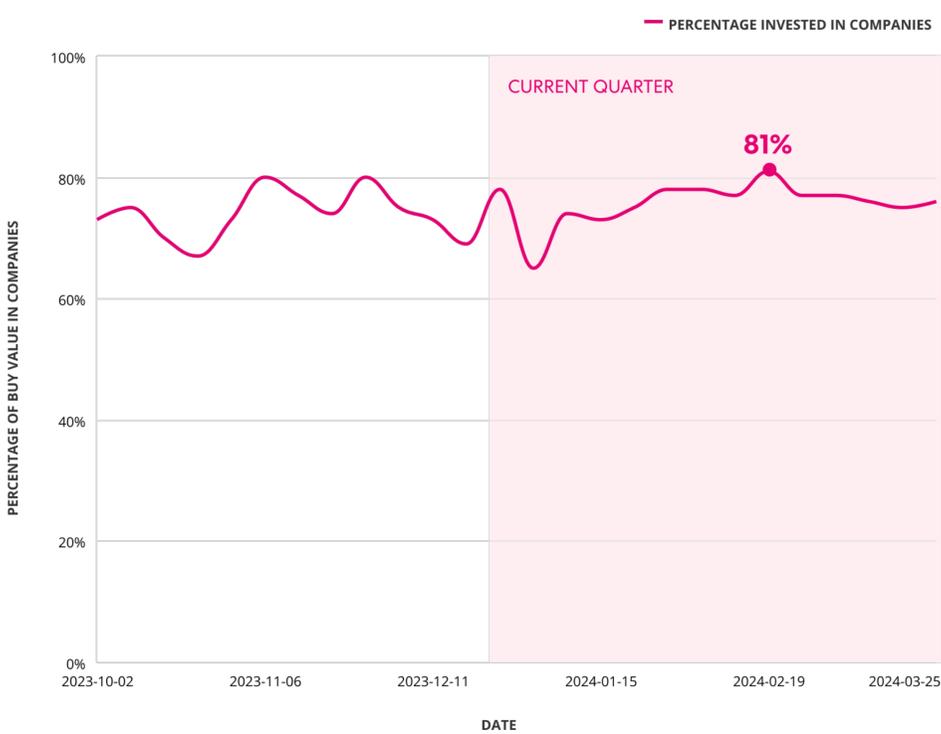
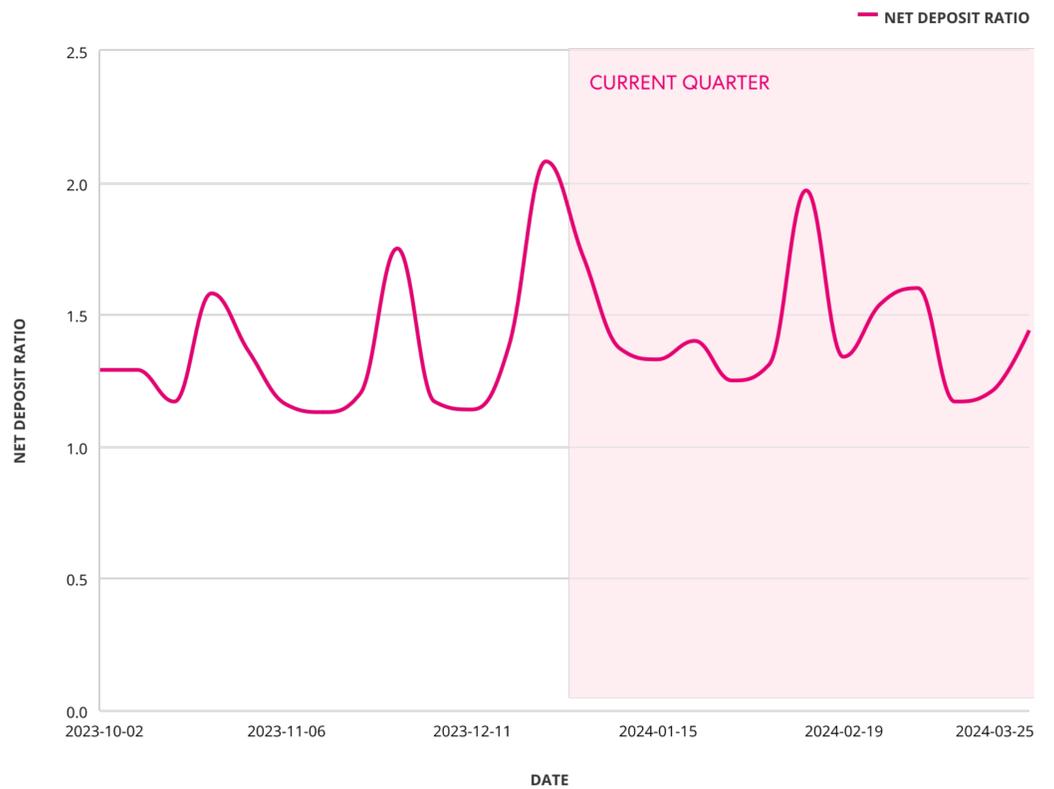
The Net Buy/Sell Ratio is the difference between the total buying and selling values on Sharesies. A Net Buy/Sell Ratio greater than one is when buying outstrips selling and generally is an indicator of confidence. Conversely, a Net Buy/Sell Ratio of less than one may indicate more concern if coupled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

NET DEPOSIT RATIO

The Net Deposit Ratio was, on average, up from the previous quarter (1.44 vs 1.33), but continues to trail ratios observed in 2021 and 2022. March was our second-highest depositing month in the past year, but it was also the largest month for the amounts withdrawn.

Perhaps due to the cost of living pressures, it appears that some investors are using wealth created on Sharesies to fund buying activity, as well as to make deposits. New deposit flows were also apparent during the quarter as seen with a sustained Ratio over 1. This indicates investors are steadily contributing to their portfolios, rather than retreating from investing.

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)

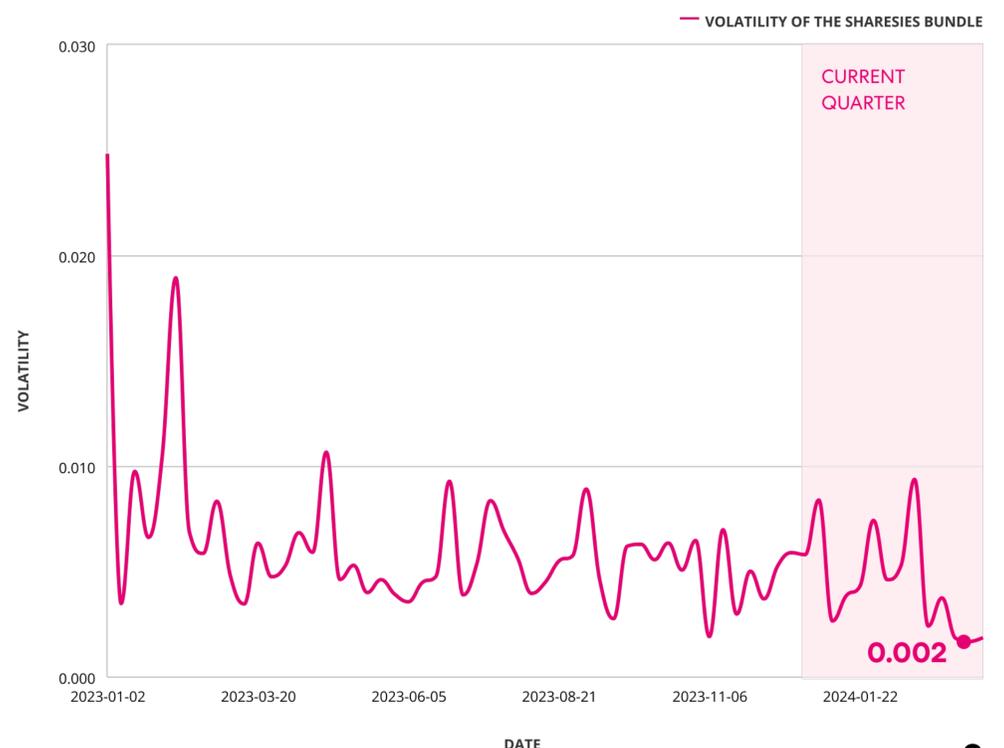
The Percentage Invested in Companies (PIC) hovered just below 80% for the majority of the quarter, reaching 81% in the week of 19 February. This quarter brought greater consistency than observed in previous quarters, with the majority of buying activity continuing to focus on companies, particularly in the US markets.

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.

VOLATILITY OF SHARESIES BUNDLE

The volatility measure of the Sharesies Bundle remains low, with a slight downward trend towards the end of the quarter. With relatively low volatility, investors may have experienced a period of greater predictability across their portfolios.

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.



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 most popular investments across our Sharesies investor community.

The Bundle is updated each quarter, as some instruments grow and others fall in relative popularity.

● COMPANY ● ETF ● MANAGED FUND

TOP 5 COMPANIES

AIR NEW ZEALAND LTD	Rank: 1
TESLA INC	Rank: 3
APPLE INC	Rank: 6
NVIDIA CORP	Rank: 8
AUCKLAND INTERNATIONAL AIRPORT LTD	Rank: 11

The top companies remained consistent, except for NVIDIA rocketing up to fourth most popular company and bumping Mainfreight out of the top five.

TOP 5 FUNDS

SMARTSHARES US 500 ETF	Rank: 2
PATHFINDER GLOBAL RESPONSIBILITY FUND	Rank: 4
SMARTSHARES NZ TOP 50 ETF	Rank: 5
VANGUARD 500 INDEX FUND ETF	Rank: 7
PATHFINDER GLOBAL WATER FUND	Rank: 9

The top ETFs and Funds on the platform remained consistent this quarter, with no new entrants. These instruments are typically used to dollar-cost-average, with four out of five of these ETFs and funds among the top instruments bought through our auto-invest feature, which has seen a year-on-year increase of 56%.

TOP MOVEMENTS

The trend of investors shifting their preference towards US stocks and away from NZX and ASX listings continues, with iShares S&P 500 ETF AUD, Advanced Micro Devices, Inc. and NVIDIA Corp climbing quickly up the rankings. Smartshares NZ Top 10 ETF fell in popularity along with Ryman Healthcare Ltd. Cannasouth Ltd also fell following the company going into voluntary administration and subsequent trading halt.

TOP MOVERS Instruments that moved up the ranking

ISHARES S&P 500 ETF AUD	▲ 20	Rank: 45
ADVANCED MICRO DEVICES, INC	▲ 20	Rank: 68
NVIDIA CORP	▲ 17	Rank: 8
SUMMERSET GROUP HOLDINGS LTD	▲ 7	Rank: 47
MICROSOFT CORP	▲ 6	Rank: 12

TOP SHAKERS Instruments that moved down the ranking

RYMAN HEALTHCARE LTD	▼ 8	Rank: 29
GAMESTOP CORP	▼ 7	Rank: 37
CANNASOUTH LTD	▼ 7	Rank: 30
ROCKET LAB USA INC	▼ 6	Rank: 18
SMARTSHARES NZ TOP 10 ETF	▼ 3	Rank: 44

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.

Sharesies Limited is a registered Financial Service Provider (FSP550746) and an accredited participant on the New Zealand Stock Exchange (NZX).

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.