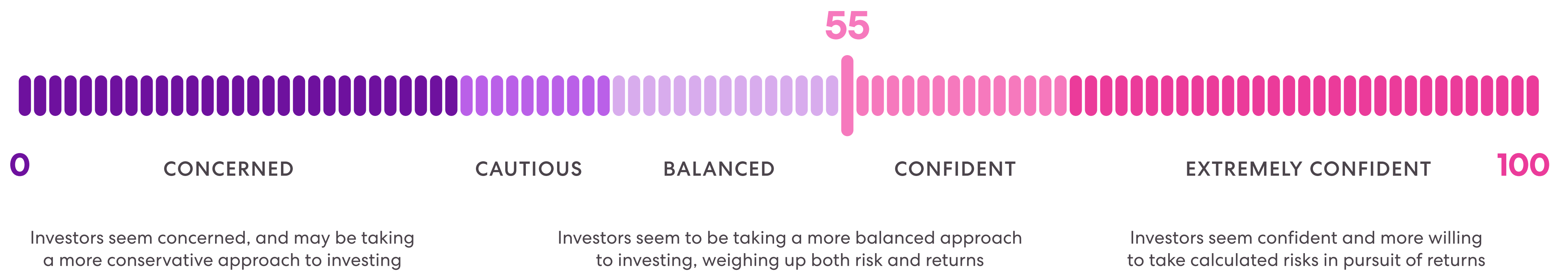


Sharesies Index

How confident are retail investors feeling in the current market?



Investors seem concerned, and may be taking a more conservative approach to investing

Investors seem to be taking a more balanced approach to investing, weighing up both risk and returns

Investors seem confident and more willing to take calculated risks in pursuit of returns

SUMMARY

- The Sharesies Index ended 2024 at 55 in the Confident range — the first time since 2022.
- A record trading quarter of \$3.21B—almost doubling Sharesies' previous record and a further indication of growing investor confidence.
- Smart US 500 ETF overtook Air New Zealand for the top spot in the Sharesies Bundle for the first time ever as investors continued to seek US exposure.
- Deposit to withdrawal ratios were strong across the quarter, ending the quarter at 2.09, as many consumers assessed how best to grow their wealth across different Sharesies' products.
- Volatility remained slightly elevated, with more stability following the US election result.

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 750,000 investors who have joined Sharesies, we have one of the largest datasets in New Zealand from which to gather retail investor insights.

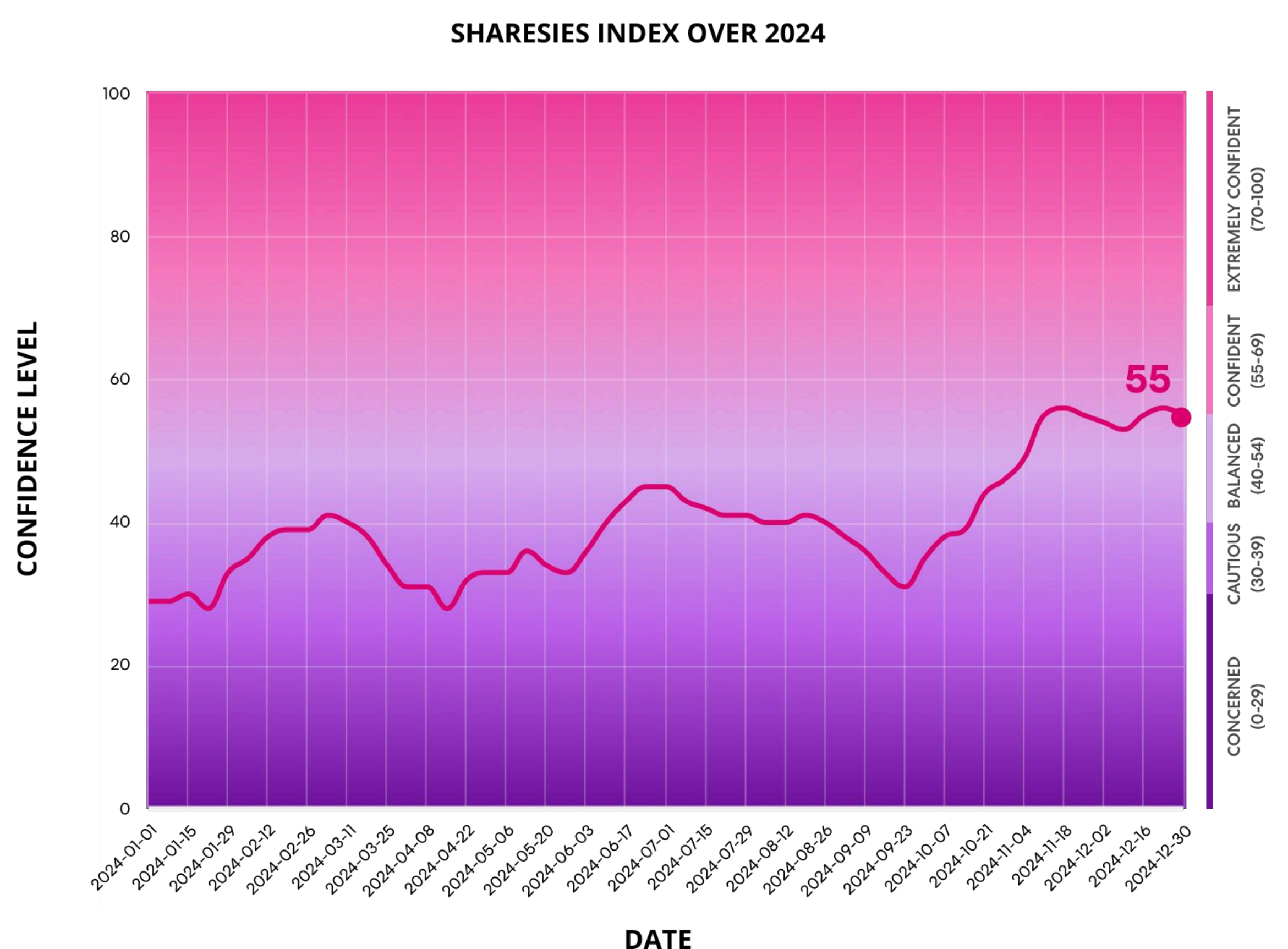
Key inputs to the Sharesies Index include the ratios of buying and selling of shares, deposits and withdrawals to Save and Invest accounts, investing in companies versus funds, average amount bought per customer and the volatility of the 'Sharesies Bundle' (the 50 most owned investments on Sharesies).

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

QUARTERLY INDEX RESULTS

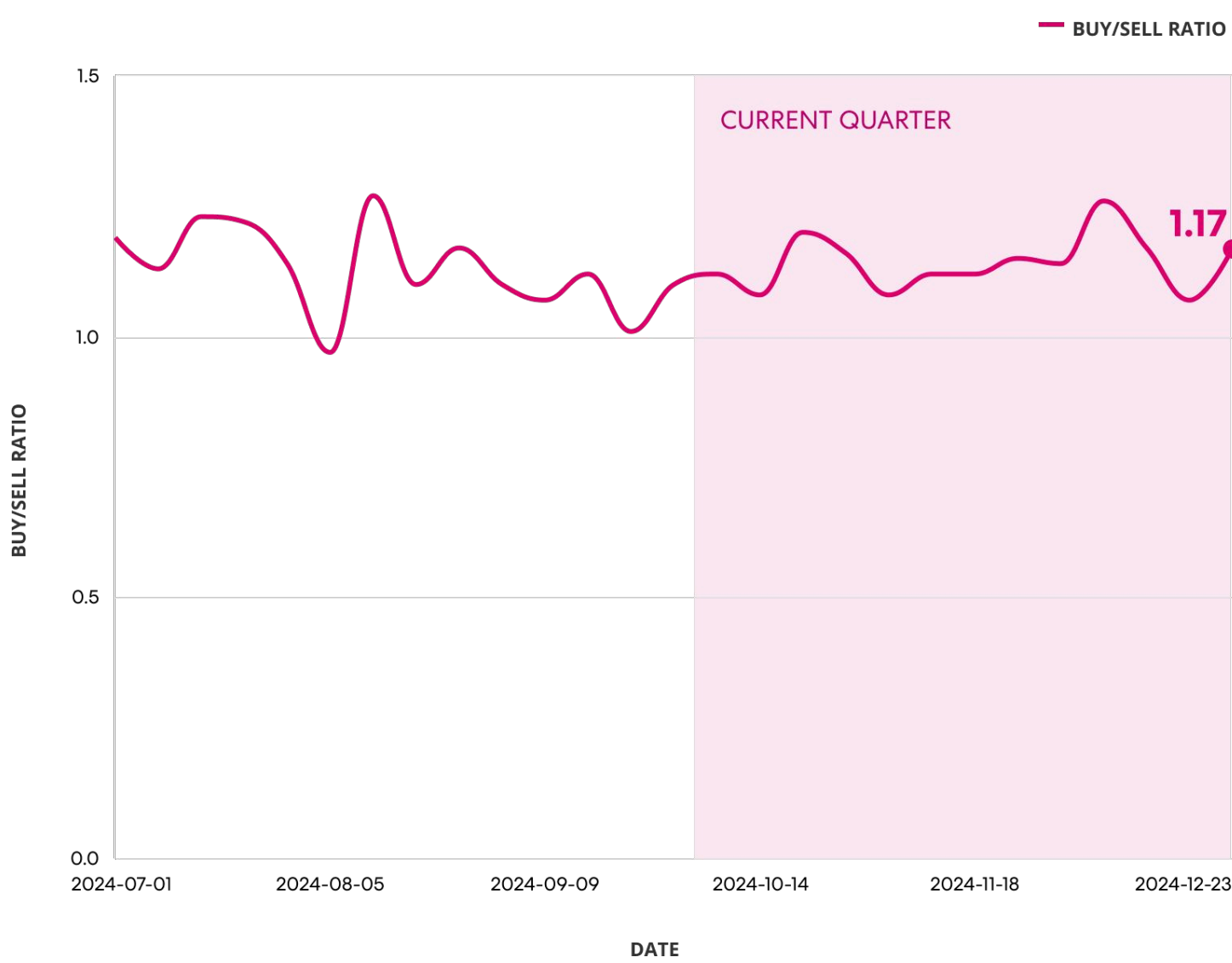
October 2024 - December 2024

After finishing the July–September quarter at 31 in the Cautious range, we saw an upwards trend through the latter part of the year to end at 55 in the Confident range— the highest in 2024. The quarter started with a continuation of the cautious sentiment seen in September, but following the US election, and through easing of the official cash rate in New Zealand in October and November, investor sentiment trended upwards into the Balanced and Confident range. The increased confidence was reflected in record trading of \$3.21B NZD—near double the previous record of \$1.71B.



Key Indicators

What are the indicators that underpin the Sharesies Index?



NET BUY/SELL RATIO

The Net Buy/Sell Ratio ratio averaged 1.14, which indicated more buying than selling, with net buying in every week of the quarter. This was a slight increase on the July-September quarter, and in the later half of the October-December quarter the ratio average rose to 1.15, ending the year at 1.17—meaning for every dollar of selling there was 1.17 bought.

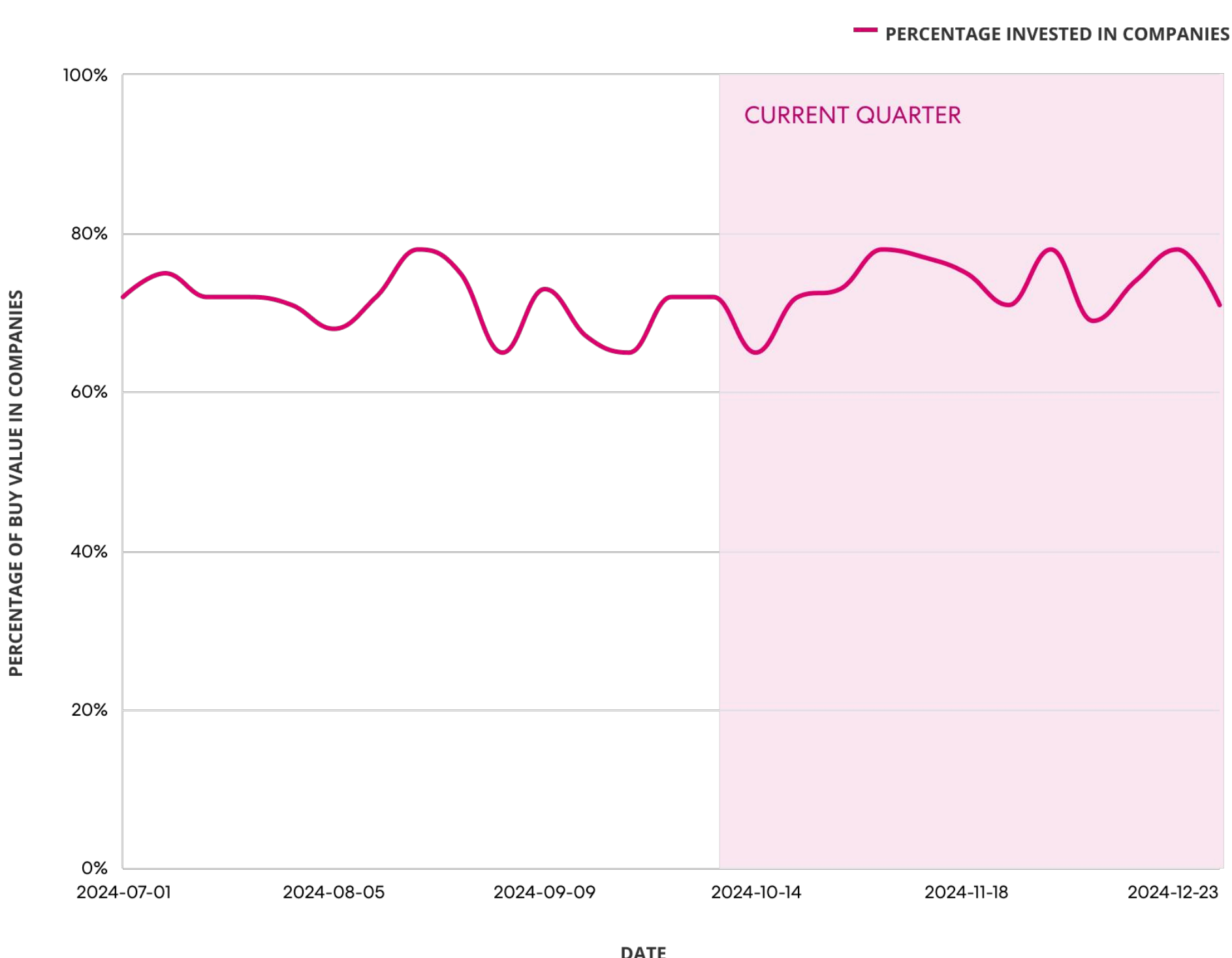
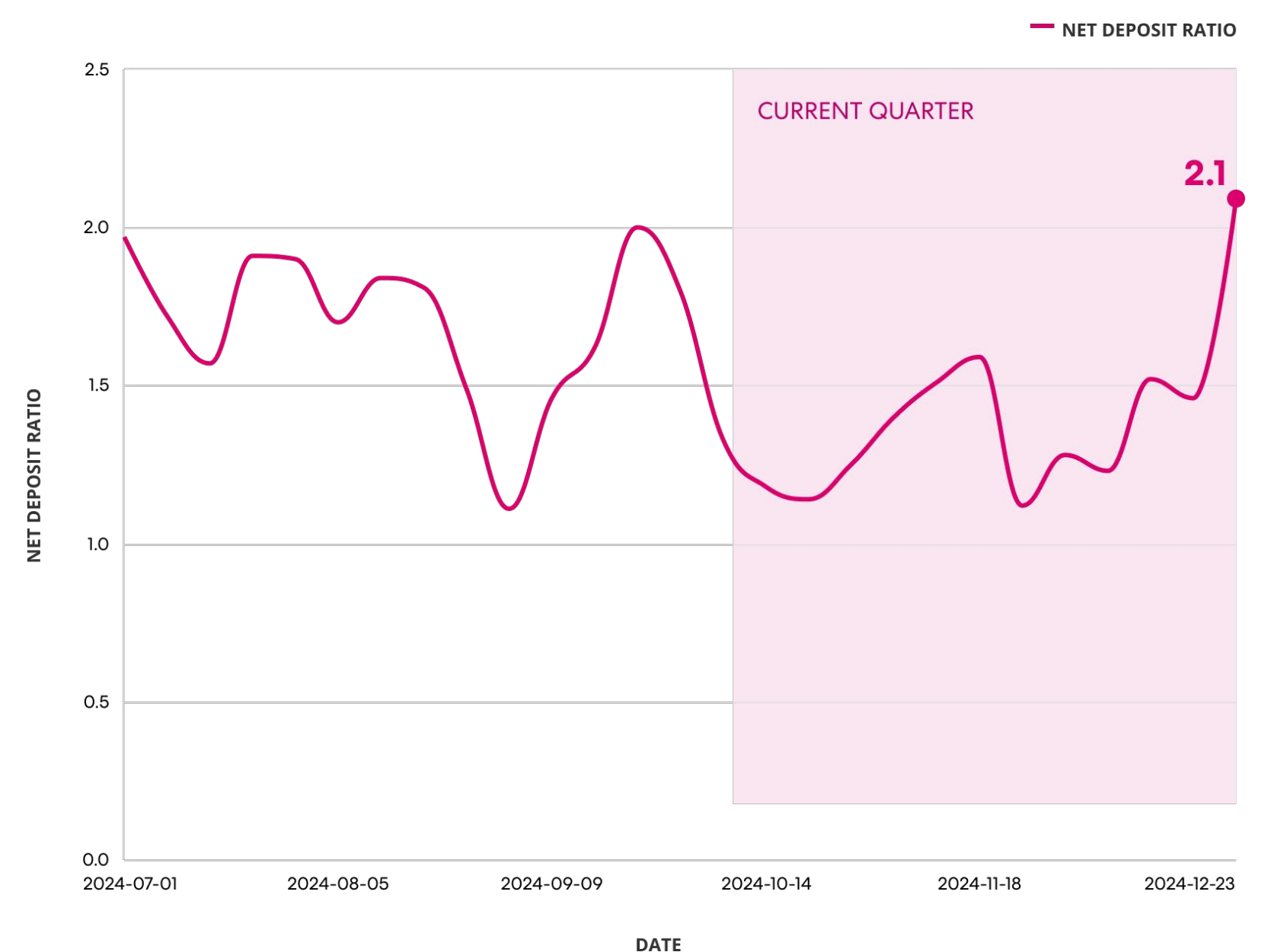
The Net Buy/Sell Ratio is the difference between the total buying and selling values on Sharesies. A Net Buy/Sell Ratio greater than one is when buying outstrips selling and generally is an indicator of confidence. Conversely, a Net Buy/Sell Ratio of less than one may indicate more concern if coupled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

NET DEPOSIT RATIO

The Net Deposit Ratio, averaging 1.4, was down slightly from the July-September quarter high, but was still in line with the annual average. The Net Deposit Ratio also finished this quarter strong, hitting 2.1 in the final week.

With two cuts in the official cash rate this quarter, many investors may have taken an opportunity to assess where they allocate and grow their wealth. Net deposits into investing on the Sharesies trading platform remained strong throughout the quarter, even as flows into Sharesies Save decreased reflecting the continued easing of interest rates. Many investors took advantage of the new Sharesies PIE Save offering, which has tax capped at 28%. This is a strategy investors may be adopting as returns on savings decrease in line with interest rate cuts.

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 73% which is an increase from the record lows of the July-September quarter. As volatility settled a little into November—having risen sharply in August and staying elevated until the US election—investors appeared to be more confident to invest in individual companies, instead of less volatile and more diversified funds.

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, split by companies and ETFs/Funds, are shown below.

● COMPANY ● ETF ● MANAGED FUND

TOP 5 COMPANIES across the Sharesies Bundle

AIR NEW ZEALAND LTD	Bundle rank: 2
TESLA INC	Bundle rank: 3
NVIDIA CORP	Bundle rank: 5
APPLE INC	Bundle rank: 7
ROCKET LAB USA INC	Bundle rank: 9

While still the top company, Air New Zealand dropped to second place across all investment types. Rocket Lab continued to move up the Bundle from 11th position overall in the July-September quarter, to 9th this quarter and the 5th company. This was driven by the continued growth in the company's share price.

TOP 5 ETFS/FUNDS across the Sharesies Bundle

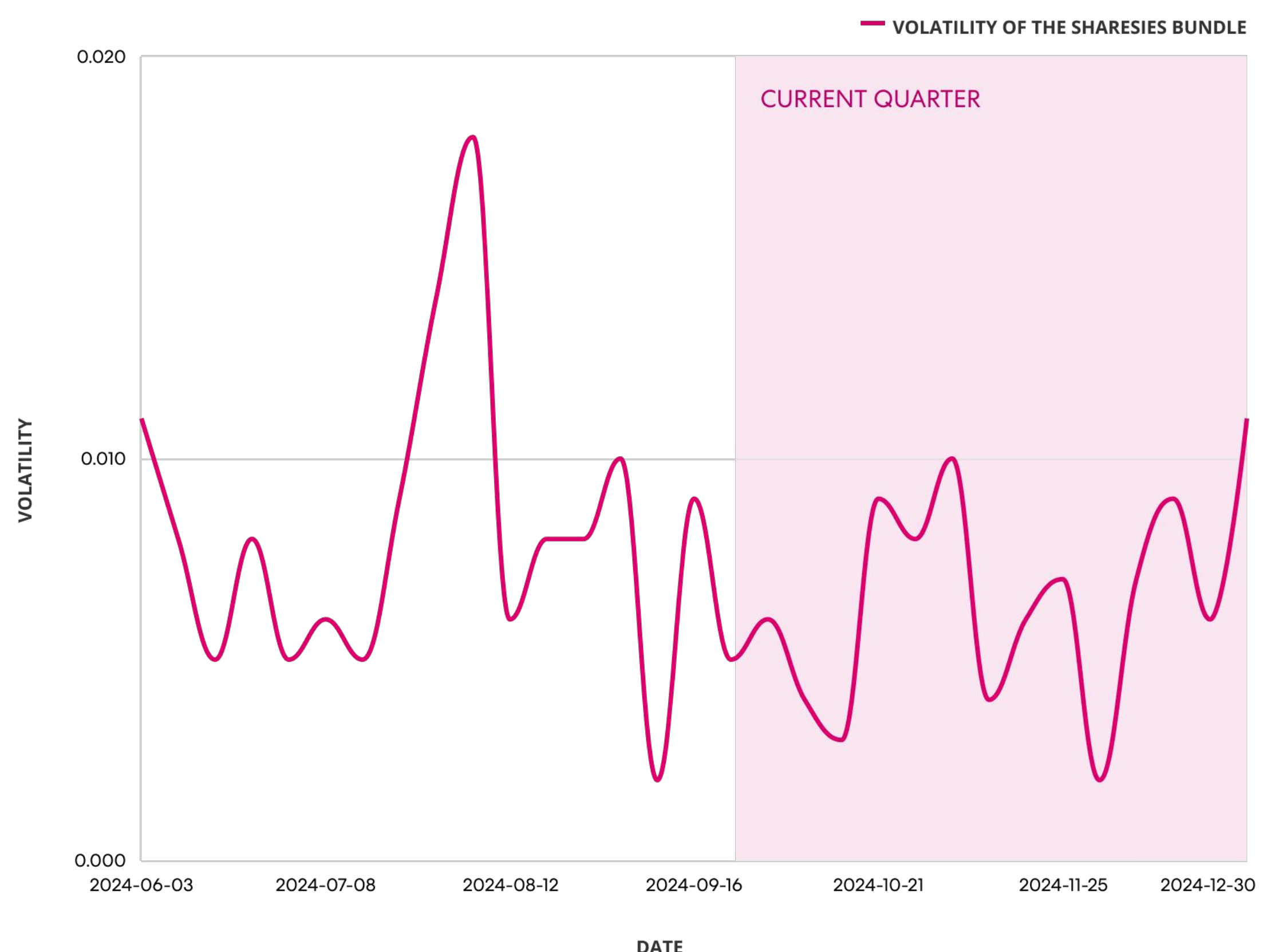
SMART US 500 ETF	Bundle rank: 1
PATHFINDER GLOBAL RESPONSIBILITY FUND	Bundle rank: 4
SMART NZ TOP 50 ETF	Bundle rank: 6
VANGUARD 500 INDEX FUND ETF	Bundle rank: 8
MERCER ALL COUNTRY GLOBAL SHARES INDEX FUND	Bundle rank: 10

Top Exchange-traded-funds (ETFs) and Funds were consistent, but the Smart US 500 ETF overtook Air New Zealand for the top overall spot this quarter, in line with a continued investor preference for US investments.

VOLATILITY OF SHARESIES BUNDLE

Volatility of the Sharesies Bundle averaged 0.007—down from the highs seen in the July-September quarter. Despite this decrease, it was still higher than the average for 2024. Volatility lowered following the US election result, when the US markets responded positively to having certainty, as seen in wider market volatility measures such as the CBOE Volatility Index (VIX). Volatility increased again later in the quarter, with late December seeing a high of 0.01.

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 movements for the full year 2024

Across the full year of 2024, NZX instruments were the biggest shakers moving down the Sharesies Bundle ranking right through the year. Nine of the top ten largest declines were NZX investments, and seven of the ten were NZX companies. The largest decline was Ryman Healthcare which dropped 12 places from the end of 2023 to the end of 2024. With US instruments making up more than 76% of the trading volume across the year and strong share price growth in many widely held US tech instruments, NZX companies have not kept pace as reflected in Sharesies' investor portfolios.

NASDAQ was the most popular exchange across the top movers for 2024. There were a few exceptions, including NZX listings: Fisher and Paykel and Fonterra Shareholders' Fund which both moved up the Sharesies Bundle across the year.

● COMPANY ● ETF ● MANAGED FUND

TOP MOVERS OF 2024

Instruments moving up the Sharesies Bundle ranking from the end of 2023 to the end of 2024

ISHARES S&P 500 ETF AUD	▲ 36	 ASX
PALANTIR TECHNOLOGIES INC	▲ 31	 NASDAQ
NVIDIA CORP	▲ 20	 NASDAQ
NETFLIX INC	▲ 19	 NASDAQ
VANGUARD AUSTRALIAN SHARES INDEX ETF	▲ 18	 ASX
VANGUARD MSCI INDEX INTERNATIONAL SHARES ETF	▲ 17	 ASX
FONTERRA SHAREHOLDERS' FUND	▲ 15	 NZX
SMART US LARGE GROWTH ETF	▲ 12	 NZX
MICROSOFT CORP	▲ 6	 NASDAQ
FISHER & PAYKEL HEALTHCARE CORPRATN LTD	▲ 5	 NZX

TOP SHAKERS OF 2024

Instruments dropping down the Sharesies Bundle ranking from the end of 2023 to the end of 2024

RYMAN HEALTHCARE LTD	▼ 12	 NZX
MAINFREIGHT LTD	▼ 10	 NZX
PATHFINDER GLOBAL PROPERTY FUND	▼ 9	
NZ WINDFARMS LTD	▼ 8	 NZX
A2 MILK COMPANY LTD	▼ 7	 NZX
ANZ GROUP HOLDINGS LTD	▼ 7	 NZX
SPARK NEW ZEALAND LTD	▼ 5	 NZX
SMART NZ TOP 10 ETF	▼ 5	 NZX
AUCKLAND INTERNATIONAL AIRPORT LTD	▼ 4	 NZX
SMART ASIA PACIFIC ETF	▼ 4	 NZX

Methodology & Data

The Sharesies Index is a proprietary index which uses highly aggregated and anonymised data from activity we see across over three quarters of 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).

Sharesies Investment Management Limited is the issuer of Sharesies PIE Save. The product disclosure statement (PDS) for Sharesies PIE Save has been lodged, and may be viewed on the [Disclose Register](#) or on [our documents page](#).

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.