

MEDIA STATEMENT

For use 15 June 2016

Shareholder Confidence Remains Strong in the Face of Election Uncertainty, Leading Index Reveals

Sydney, AUSTRALIA – Despite the Federal Election drawing nearer and growth concerns with the domestic economy a leading industry report has indicated that shareholder confidence has hit a fresh 12-month high.

The GPS – Melbourne Institute Shareholder Confidence Index has revealed that investor confidence in the share market rose by 5.4 per cent in the May quarter and continues to be a lead indicator of the ASX200. However, the Index shows that current investor optimism won't last long as confidence is expected to drop amidst uncertainty in the global markets – with issues like the upcoming 'Brexit' vote likely to play a part.

Despite the local economy and housing unaffordability looming large this Federal Election, shareholders don't seem to mind who is at 'the top' – 74.5% said a change of leadership would not make any difference to their trading intentions.

Dr Sam Tsiaplias says that “even though shareholder confidence has increased, it's still at a lower point than where it was 12 months ago. So although we've regained some ground shareholder confidence remains shaky and is likely to retreat quickly at any sign of uncertainty.”

GPS Director Andrew Thain says the Index results speak to the shareholder mindset rather than concerns over the election.

“At GPS, we speak to shareholders and boards on a daily basis regarding situations where shareholders are being asked to make a decision and also in relation to corporate governance issues. We're therefore deeply committed to research that delivers accurate and meaningful insights to companies” says Thain. “What this latest research reveals is that while shareholders don't make their buy/sell decisions based on who's running the country, there is lingering pessimism around domestic economic conditions. This is supported by our findings that the level of shareholder confidence over the next 12months has actually dropped by 5.7%. So companies will need to ensure their shareholders are confident in management's ability to navigate through the current economic cycle and manage volatility so that they are building shareholder confidence.”

“This also suggests that for all the talk from the two major parties about prioritising economic growth and fixing housing unaffordability, their optimism around the economy is not resonating with shareholders. Given the election is being fought over these issues, this feedback from shareholders and voters is telling.”

The Index, published quarterly by the University of Melbourne and Global Proxy Solicitation (GPS), tracks shareholder confidence, research which informs the advisory role GPS offers to boards in terms of governance and shareholder engagement.

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About the GPS – Melbourne Institute Leading Index of Shareholder Confidence

The Index is a summary balance measure of shareholders current and expected confidence in the Australian share market. The measure enables Australian share investors to compare their own expectations, preferences and instincts about shares to that of their fellow investors. The Index is based on shareholders' assessment of three factors: returns, volatility and trading intentions (whether to buy or sell). The Index is designed for easy interpretation: a value below 100 is suggestive of bearish sentiments while a value above 100 is suggestive of bullish sentiments.

The first survey was conducted during March 2009 and the second survey was conducted during the first week of May 2009. Each survey was conducted over the telephone and is based on between 1000 to 1,600 respondents aged 18 years and over, across Australia, who directly own shares in companies listed on the Australian Securities Exchange.

The Index marks a collaboration between GPS and the Melbourne Institute of Applied Economic and Social Research at the University of Melbourne.

ABOUT GPS

GPS is recognised as the Australian leader in shareholder engagement, governance advice, proxy strategies, discrete institutional and retail investor research and solicitation. As the only specialist and the most experienced, boards, management and active investors turn to GPS for professional advice and execution services.

A long-standing partnership with the Melbourne Institute of Applied Economic and Social Research produces the quarterly Leading Index of Shareholder Confidence, placing GPS firmly at the forefront of Australian shareholder research.

Further information on GPS can be found at www.gpsproxy.com.au

ABOUT THE MELBOURNE INSTITUTE OF APPLIED ECONOMIC AND SOCIAL RESEARCH

The Melbourne Institute is the first University-based research institute of its kind in Australia, established for the purpose of conducting research into a wide range of macroeconomic, microeconomic and social economic issues. It was established in 1962 as a research Department of the Faculty of Economics and Commerce at the University of Melbourne.

The Melbourne Institute is a major centre for applied economic and social research that is nationally and internationally renowned in academia, government, business and community groups. The Melbourne Institute seeks to promote a deeper understanding and discussion of economic and social issues of national significance as well as to foster effective policy responses to these issues.

As well as contributing strongly to the academic literature in economics, the Melbourne Institute has a long-standing tradition of collaborating with major organisations by providing consultancy services and evidence-based quantitative research.

Further information on the Melbourne Institute can be found at www.melbourneinstitute.com