

**Media Release****EMBARGOED UNTIL 0100 TUESDAY 31 JULY****Investor confidence slips on Greece**

- *Investor Confidence dips amid a looming crisis in Europe*
- *Investors flock to caution with Term Deposits returning as the most popular investment*
- *Aucklanders' love affair with rental property intensifies*

Investor confidence lost ground amid ongoing fears of an escalation of the Greek crisis and lingering storm clouds over Europe's economy, according to the latest ASB Investor Confidence Survey.

ASB Head of Wealth Advisory Jonathan Beale: "The ASB Investor Confidence Index slid 4 points to a net 8 percent over the three months to the end of June, with spooked investors wary of the potential for disruption in Europe. In June alone, investor confidence plunged 12 points to hit zero, the lowest level in three years," he says.

"Over the quarter Greece held two separate elections and narrowly avoided expulsion from the Euro. Although the situation in Greece appears to have stabilised following the June 17 election, concern about debt levels in Spain continues to rise. Investors appear to have taken this news to heart, with more believing returns will worsen over the next 12 months."

Canterbury bucked the downward trend, however, with confidence in the region lifting six points over the survey period. "Cantabrians are seeing early tangible signs that the rebuild is underway, and activity increased in the early part of this year, boosting investor perceptions," Mr Beale says.

Investors appeared to be taking a more conservative approach this quarter, with Term Deposits reclaiming the top spot as the investment that gives the best return, up four points to 20 percent. Rental property slid two points to 17 percent.

"The uncertainty in Europe appears to have re-ignited a flock to caution among investors, with more looking to the traditionally lower risk option of Term Deposits as their investment of choice." However Mr Beale says the story in Auckland is very different, with almost a quarter of Auckland respondents believing Rental Property offered the best returns, above Term Deposits which was at 21 percent. "We appear to be climbing back to the dizzy days of Auckland's property love affair, with more investors in the city looking to the housing market for the best returns."

Meanwhile, KiwiSaver rated third overall at 12 percent as the investment that offered the best returns, largely driven by older respondents. "We saw a sharp spike in the popularity of KiwiSaver among those aged over 60 years, from 8 percent to 18 percent. Eligible investors would have been able to access their funds for the first

time on July 1, shortly after the survey period, potentially increasing their confidence in KiwiSaver returns.”

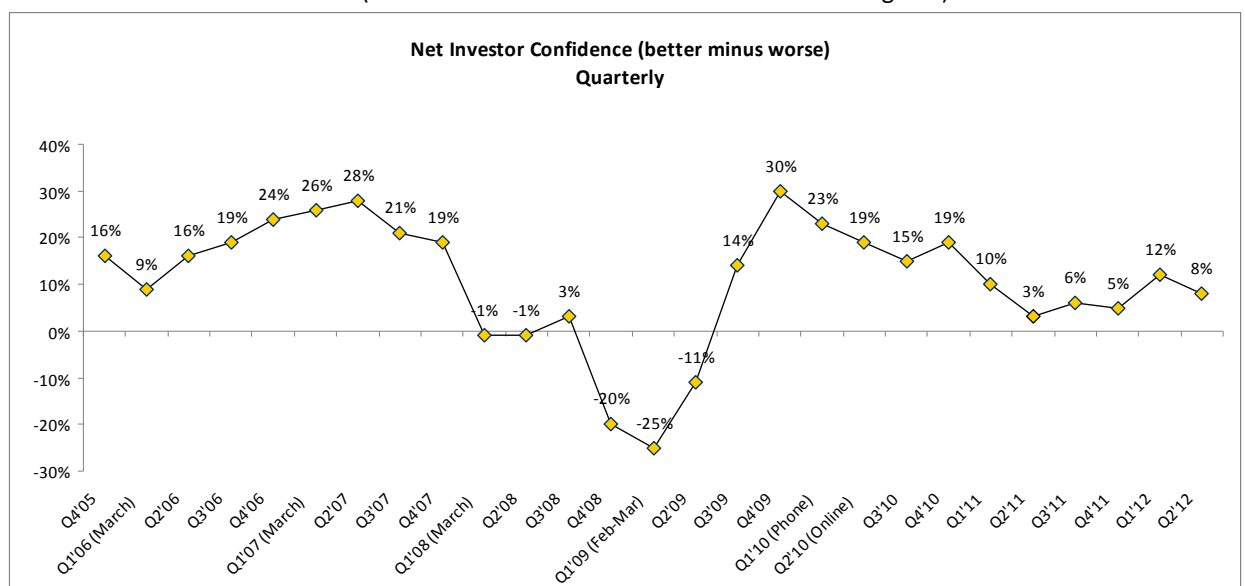
Managed funds ranked fourth at 10 percent, Bank Savings Accounts at 9 percent, while shares slid 3 points to 7 percent.

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The analysis is based on 780 online interviews with adults aged 18 years and older throughout New Zealand. In Quarter 2 of 2010 there was a shift in methodology for the Investor Confidence Tracker from telephone interviewing to online interviewing. This shift has been noted on each chart.

### SURVEY RESULT CHARTS:

**Chart 1: Net investor confidence (difference between the “better” and “worse” figures)**



**Chart 2: Percentage of total sample who feel this type of investment gives the best return**

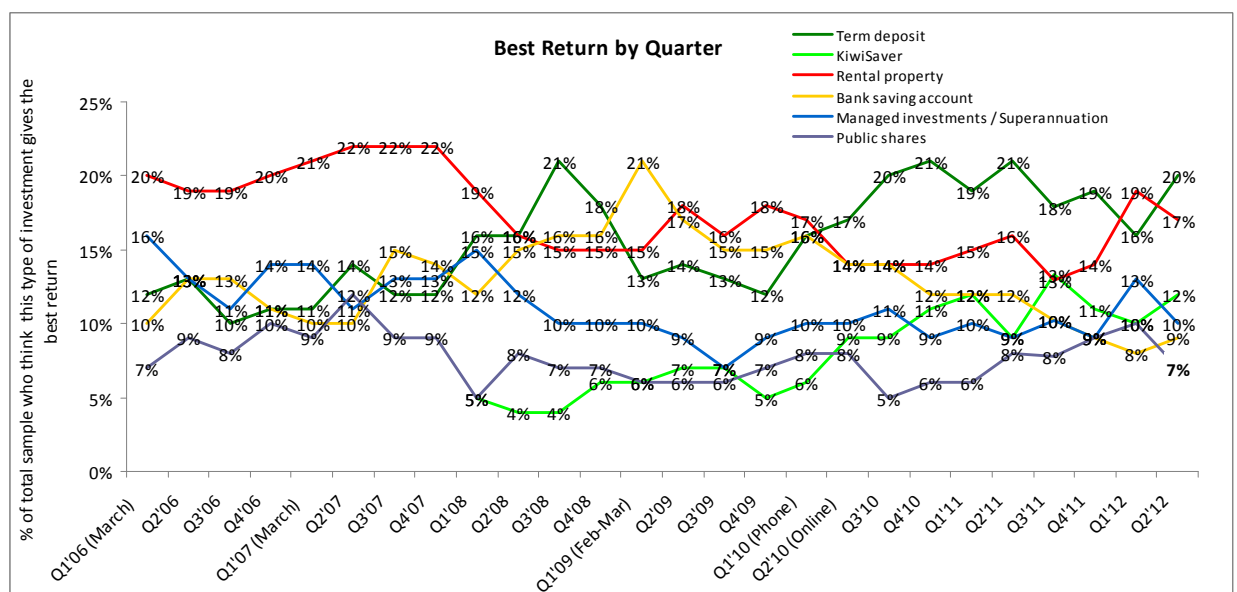


Chart 3: Percentage of respondents who feel this type of investment gives the best return: Auckland versus the rest of New Zealand

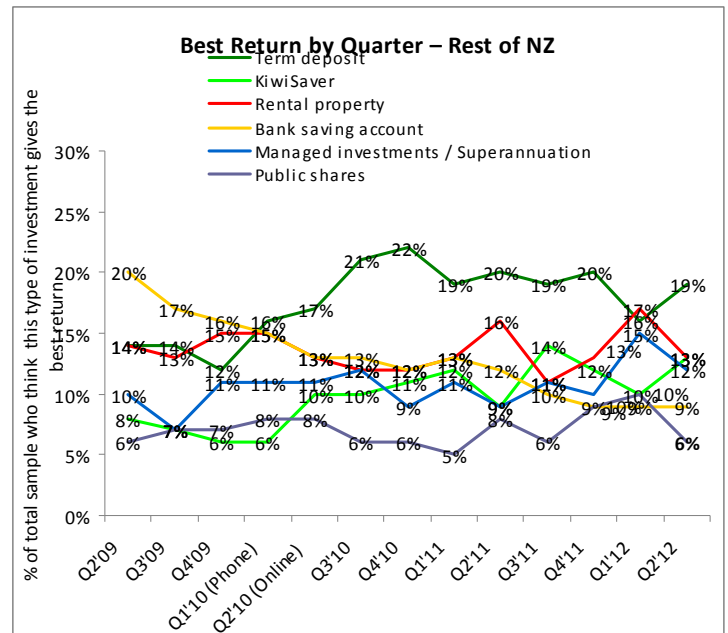
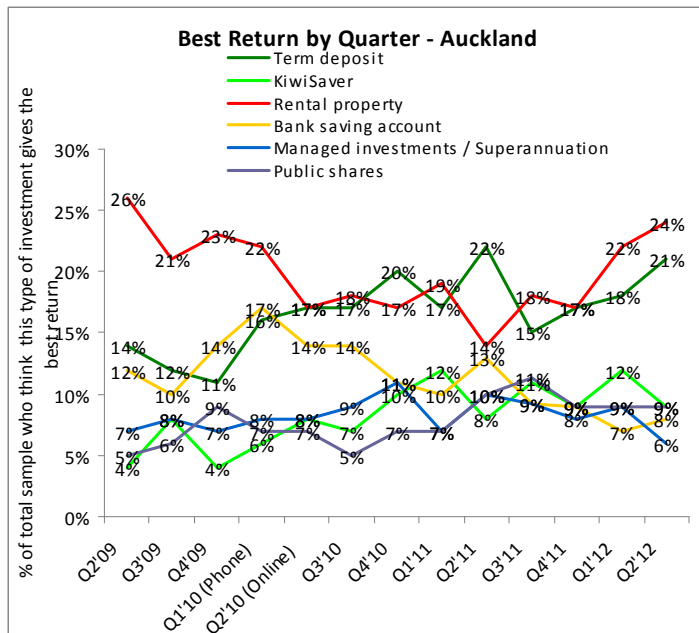
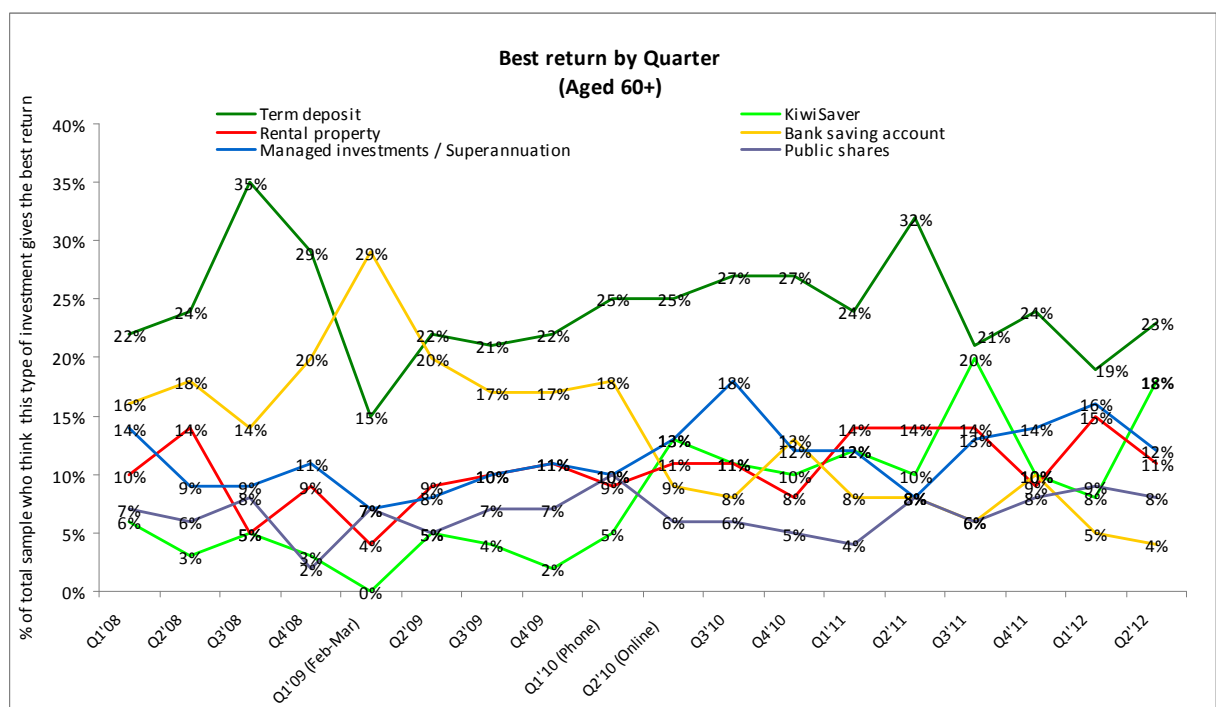


Chart 4: Percentage of respondents aged 60+ who feel this type of investment gives the best return



Released by Sarah Howison, ASB Corporate Communications  
 021 245 7576  
[sarah.howison@asb.co.nz](mailto:sarah.howison@asb.co.nz)

For more information contact:  
 Jonathan Beale, ASB Head of Wealth Advisory  
 021 962 119  
[jonathan.beale@asb.co.nz](mailto:jonathan.beale@asb.co.nz)