

ANALYST AND INVESTOR SURVEY: USE OF SOCIAL AND DIGITAL MEDIA

Trends in the use of Digital Media by the investment
community

Autumn/ Fall 2010

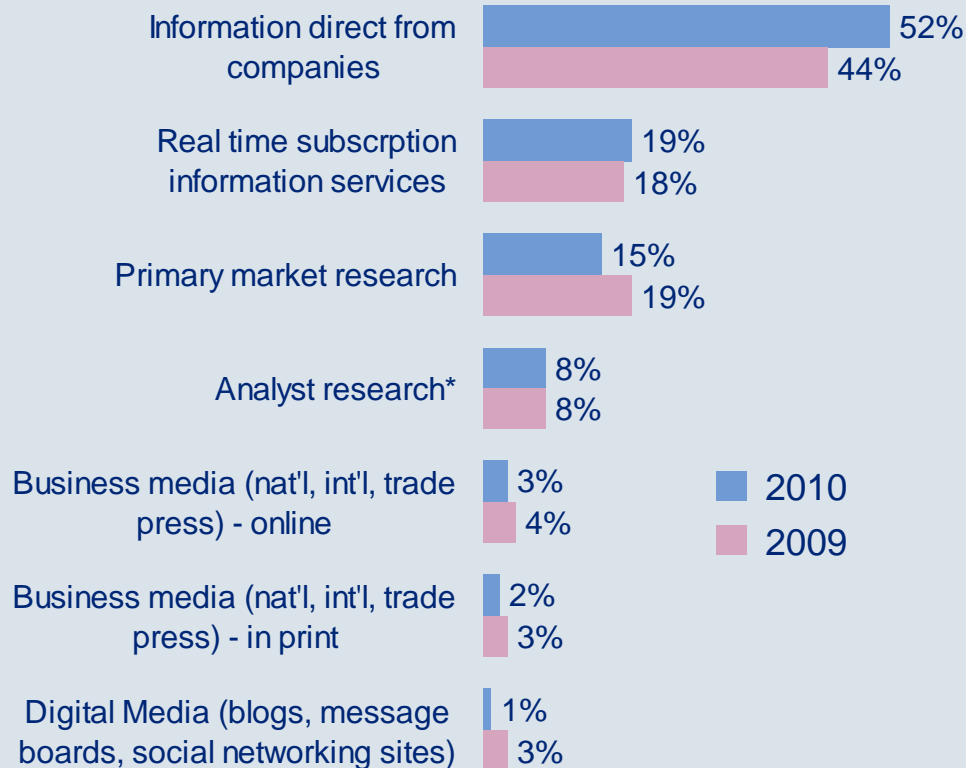
Abu Dhabi	London
Beijing	Milan
Berlin	New York
Brussels	Paris
Dallas/Ft. Worth	San Francisco
Dubai	Stockholm
Frankfurt	Vienna
Hong Kong	Washington
Johannesburg	

SOURCES OF INFORMATION

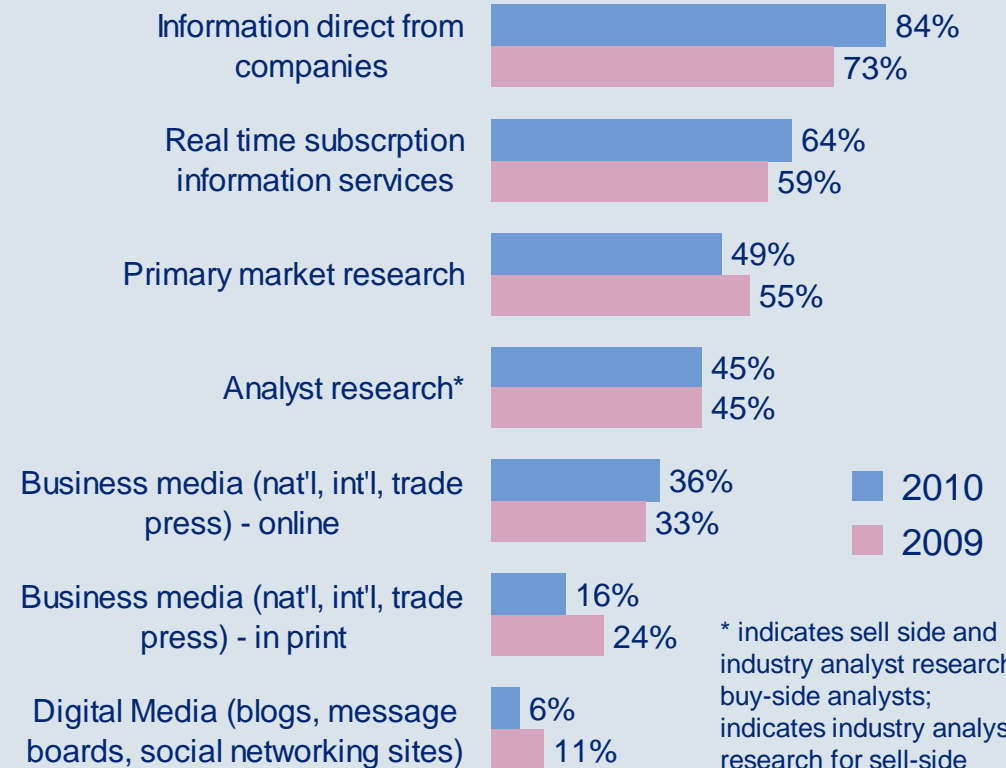
INFORMATION SOURCES

Respondents identified information direct from companies as the most influential factor in their investment decisions, which has increased in importance since last year. Real time subscription services and primary market research are the next most influential sources

Top information source



Top three information sources

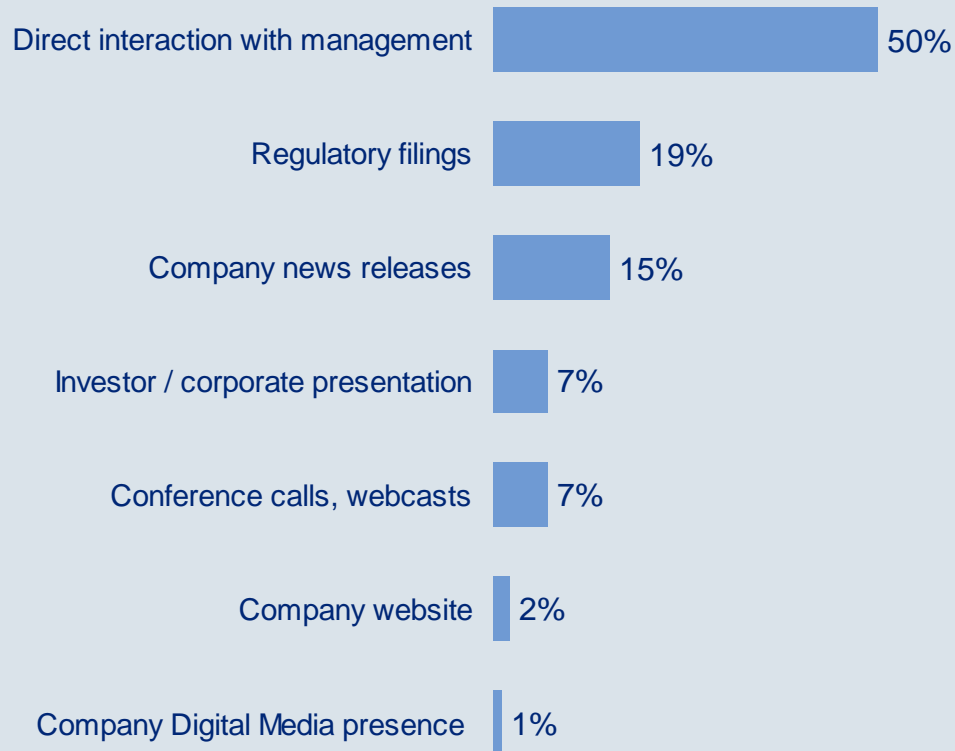


* indicates sell side and industry analyst research for buy-side analysts; indicates industry analyst research for sell-side analysts

INFORMATION FROM COMPANIES

In terms of information from companies, direct interaction with management was identified as the most influential. Regulatory filings, company news releases and conference calls are of secondary importance

Top information source

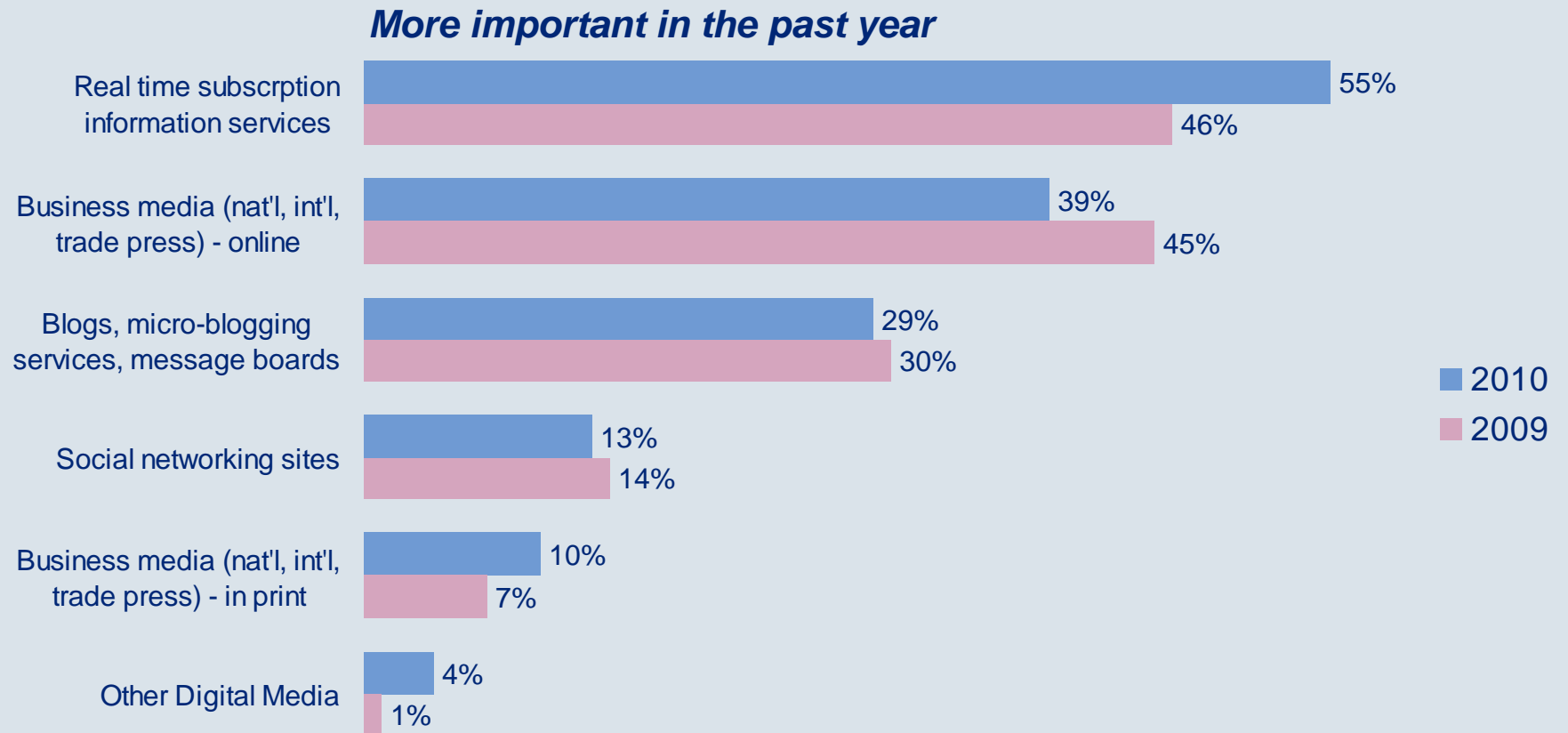


Top three information sources



CHANGING IMPORTANCE OF INFORMATION SOURCES

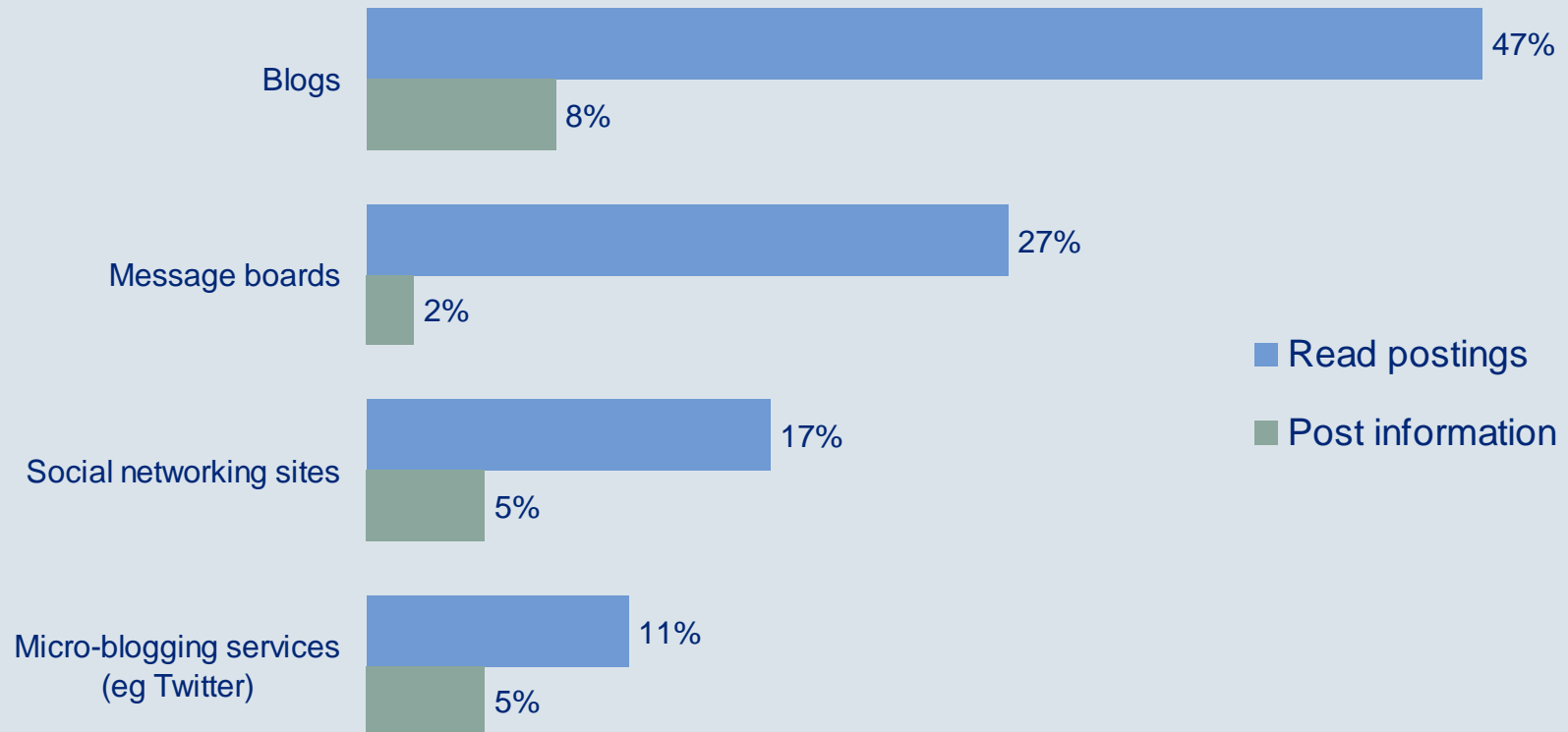
Real time subscription information services were cited by more than half of respondents as having become more important in their work over the past year. Online business media has also become more important, but to a lesser extent than in 2009



USE OF DIGITAL MEDIA

DIGITAL MEDIA – AS AN INFORMATION SOURCE

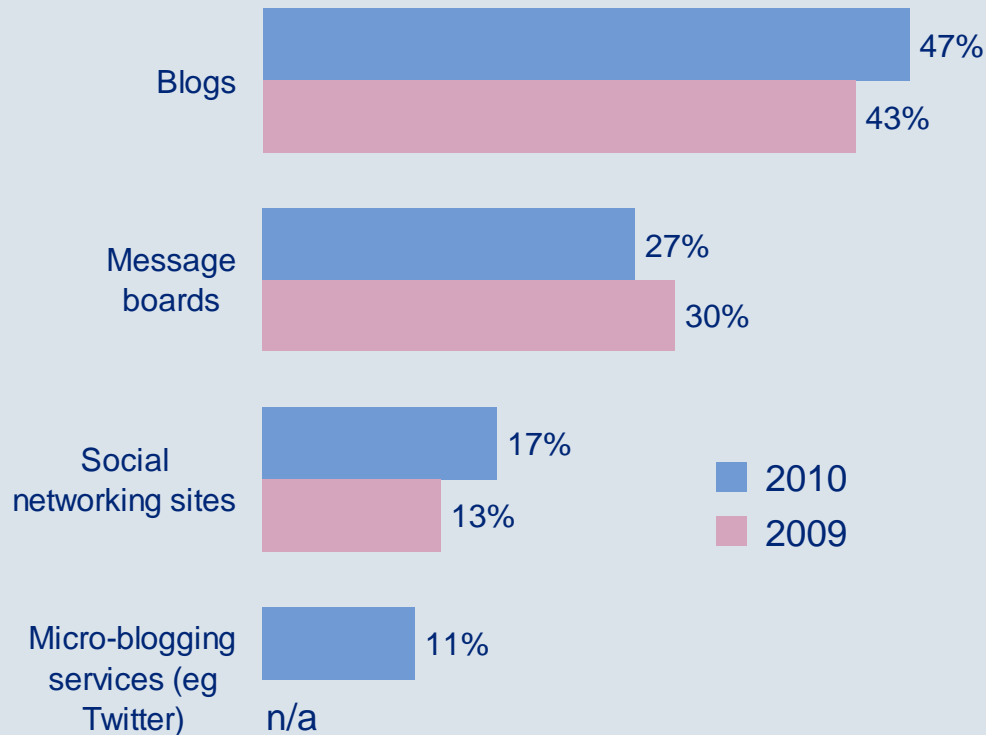
Blogs are the most commonly read form of Digital Media, with almost half of respondents reading postings for business information. Twitter is used by one in ten. Only a small proportion use Digital Media to post investment information



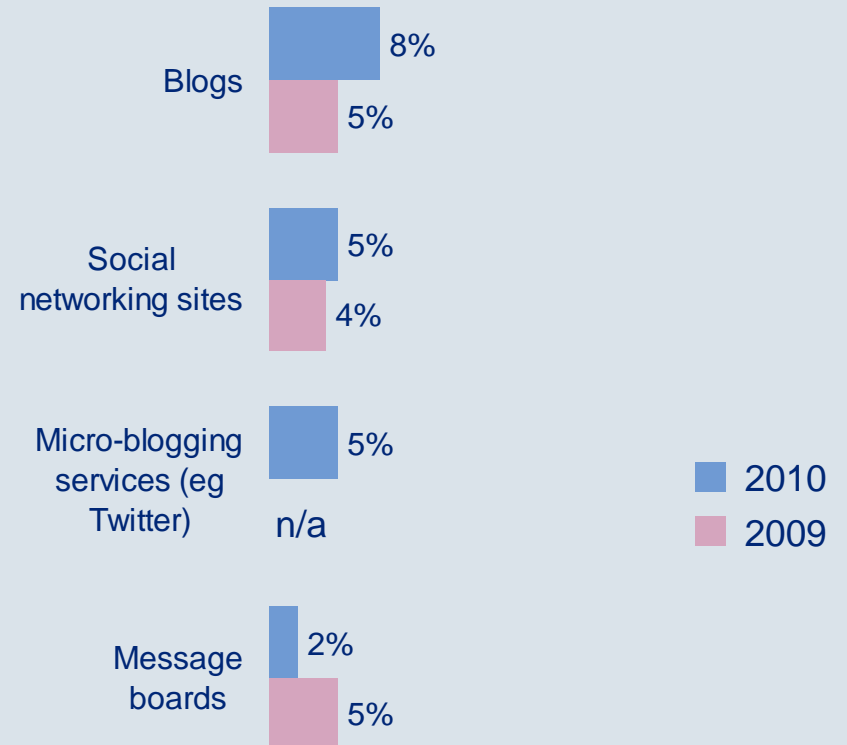
DIGITAL MEDIA – AS AN INFORMATION SOURCE

There has been little change in the use of blogs, message boards and other forms of Digital Media for following companies since 2009

Read postings



Post information



DIGITAL MEDIA – MOST USEFUL INFORMATION

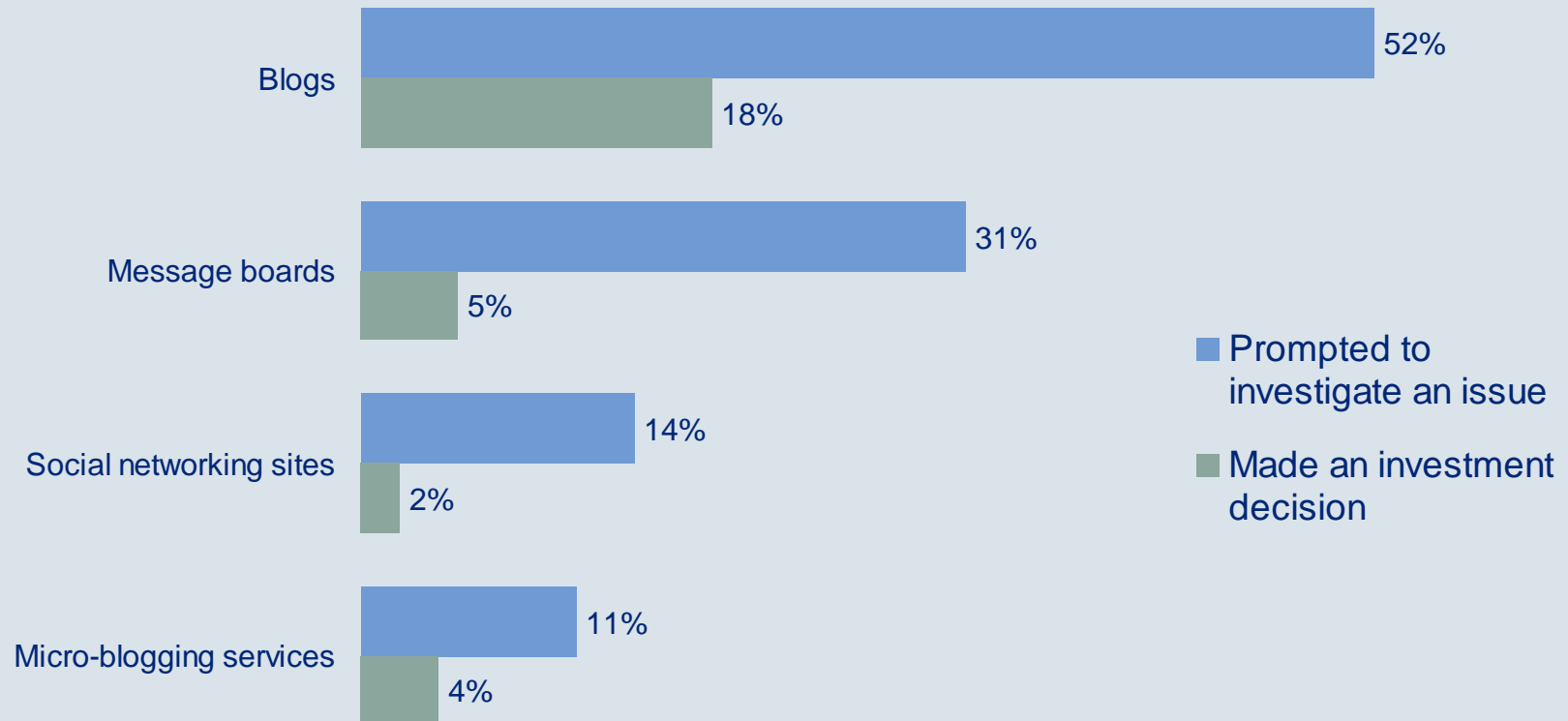
Bloomberg was the most commonly mentioned Digital Media source, followed by Reuters and FT.com. A range of other sources were also mentioned, including WSJ.com, Twitter and Google News/Alerts



In the 'tag cloud', the type size of each word varies according to its frequency of usage. The larger the type size, the more that example was mentioned e.g. Bloomberg was mentioned 107 times, Reuters 53 and FT.com 37 times. 278 people gave at least one answer

DIGITAL MEDIA – INVESTMENT DECISIONS

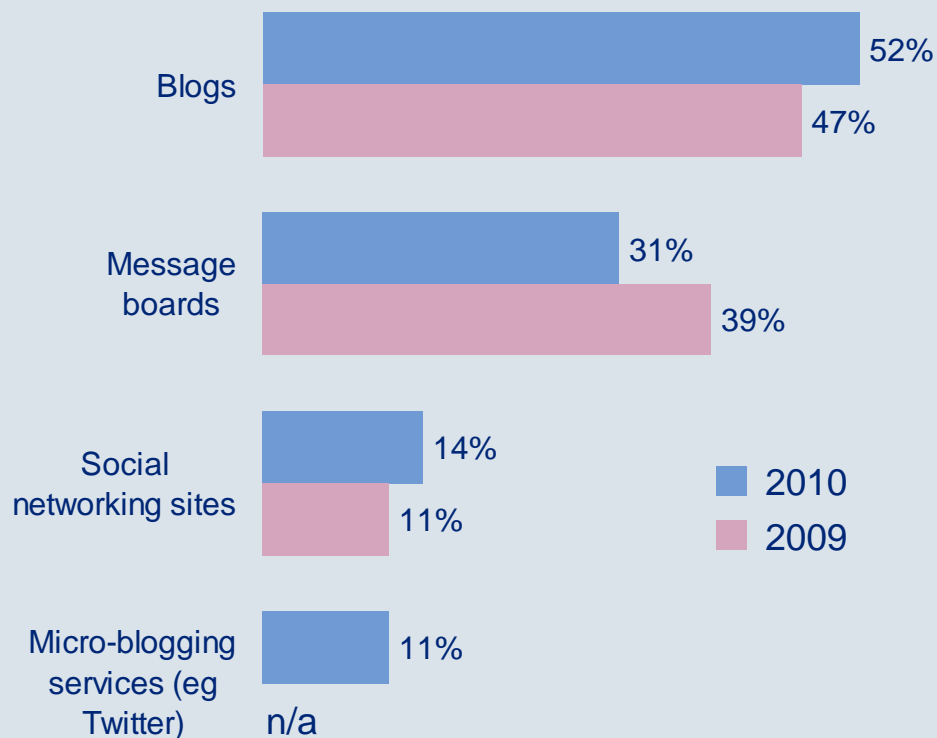
Half of respondents have been prompted to investigate an issue after reading a blog posting, with one in five making an investment decision on this basis. Information posted on message boards is also influential in prompting investors and analysts to investigate an issue



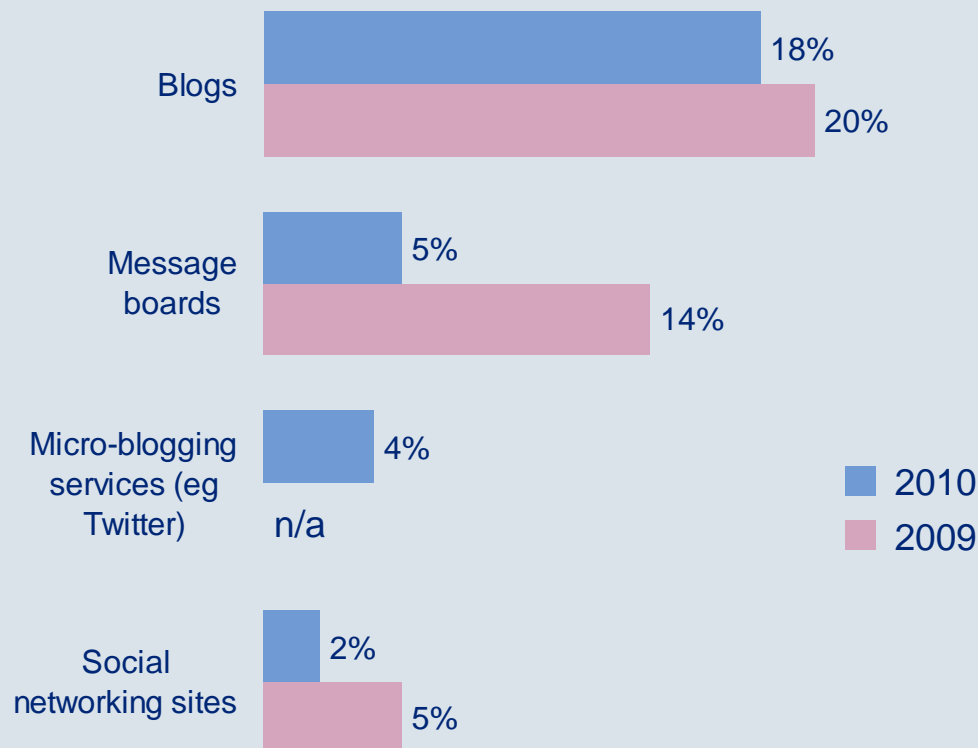
DIGITAL MEDIA – INVESTMENT DECISIONS

Blogs have become increasingly influential over the past year in terms of prompting investors and analysts to investigate an issue. Message boards have declined in importance in this aspect, as has their influence on investment decisions

Prompted to investigate an issue

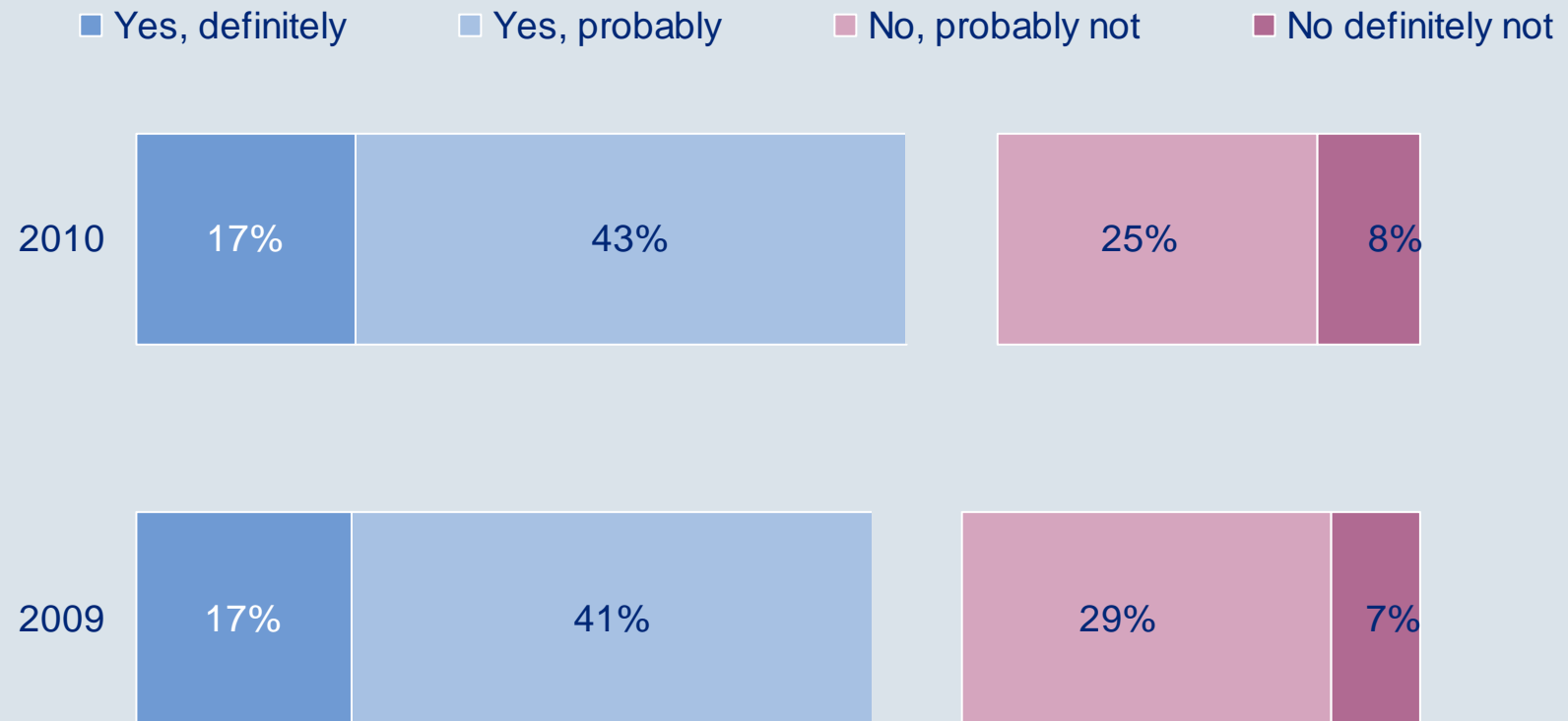


Made an investment decision



DIGITAL MEDIA – FUTURE IMPORTANCE

Investors' and analysts' views of the future importance of Digital Media in investment decisions has not changed over the past year. Three in five feel that it will play an increasingly important role in the future



APPROACH AND PARTICIPANTS PROFILE

SURVEY METHODOLOGY

Quantitative research with buy-side investors and sell-side analysts across Europe and the USA, designed to understand usage of Digital Media in the investment process

- Online data collected between 21 July and 12 August 2010
- Invitations sent to individuals listed on BigDough database, in USA or Europe. The following job titles invited were invited:
 - **Buy side:** Analyst, Portfolio Manager, Portfolio Manager / Analyst, Director of Research, Research Associate
 - **Sell side:** Analyst, Director of Equity Research, Research Associate
- Data from the 2010 survey has been weighted (in terms of country and respondent type) to allow accurate comparison to the 2009 survey

STATISTICAL RELIABILITY

Where possible we have directly compared results of the 2010 survey with the 2009 survey

- The following table shows the percentage differences needed between findings from the 2009 and 2010 studies in order for the two results to be statistically different (at the 95% confidence level)

Findings at or around...	Percentage point difference needed for two results to be different
...10% or 90%	4
...20% or 80%	5
...30% or 70%	6
...40% or 60%	7
...50% or 50%	7



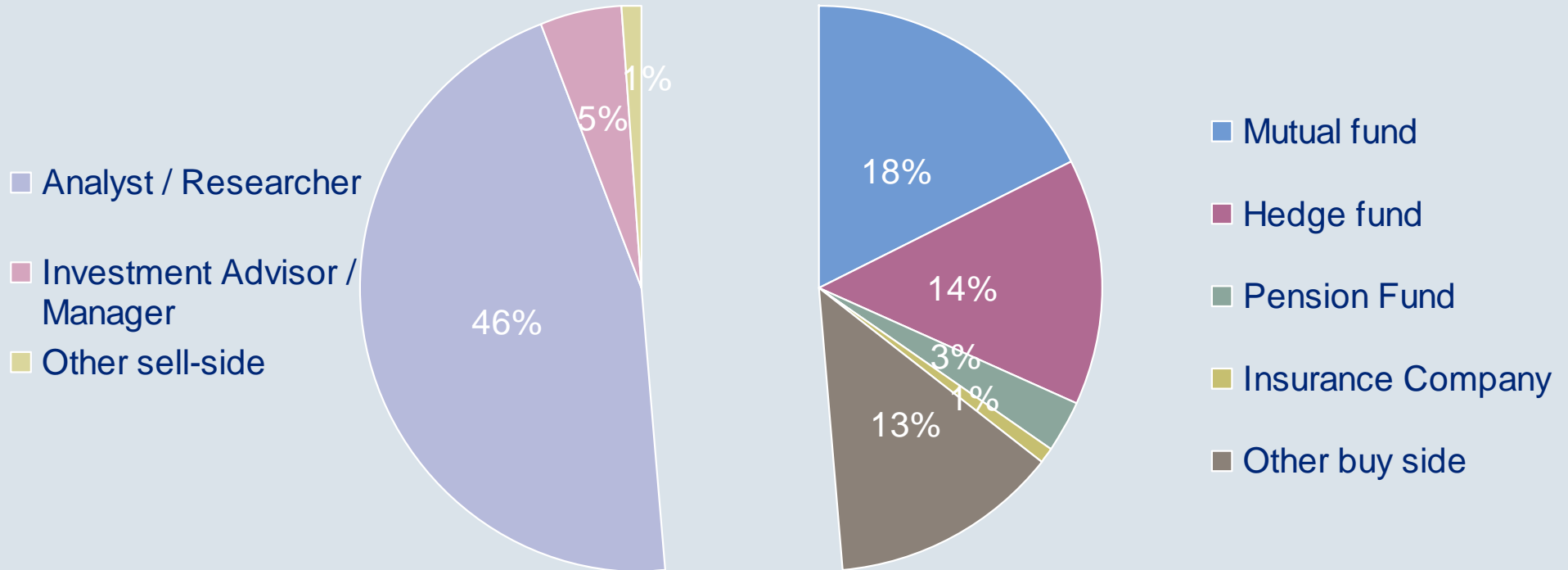
Indicates that the 2009 and 2010 results are statistically different

JOB ROLE AND TYPE OF INVESTMENTS

Participants were spread evenly between the buy side and the sell side. On the buy side, the majority of respondents work for mutual or hedge funds, while on the sell side, most participants were analysts or researchers

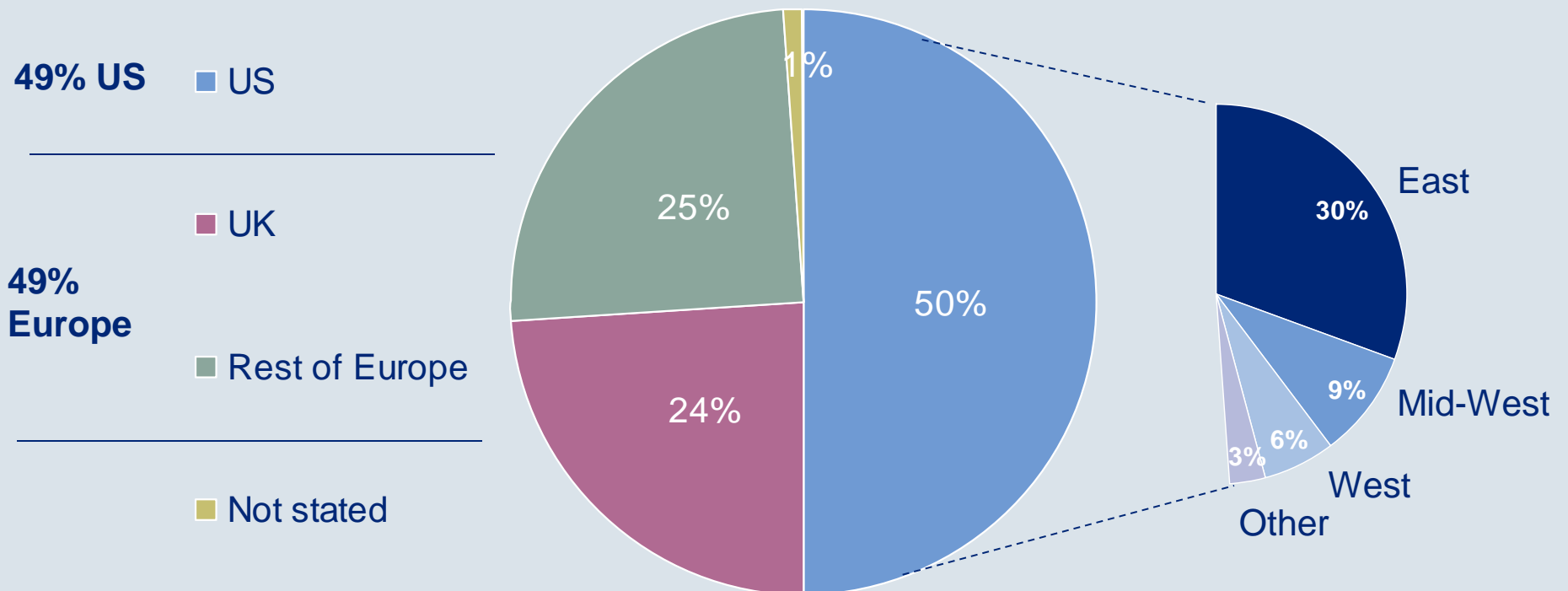
52% Sell side

48 % Buy side



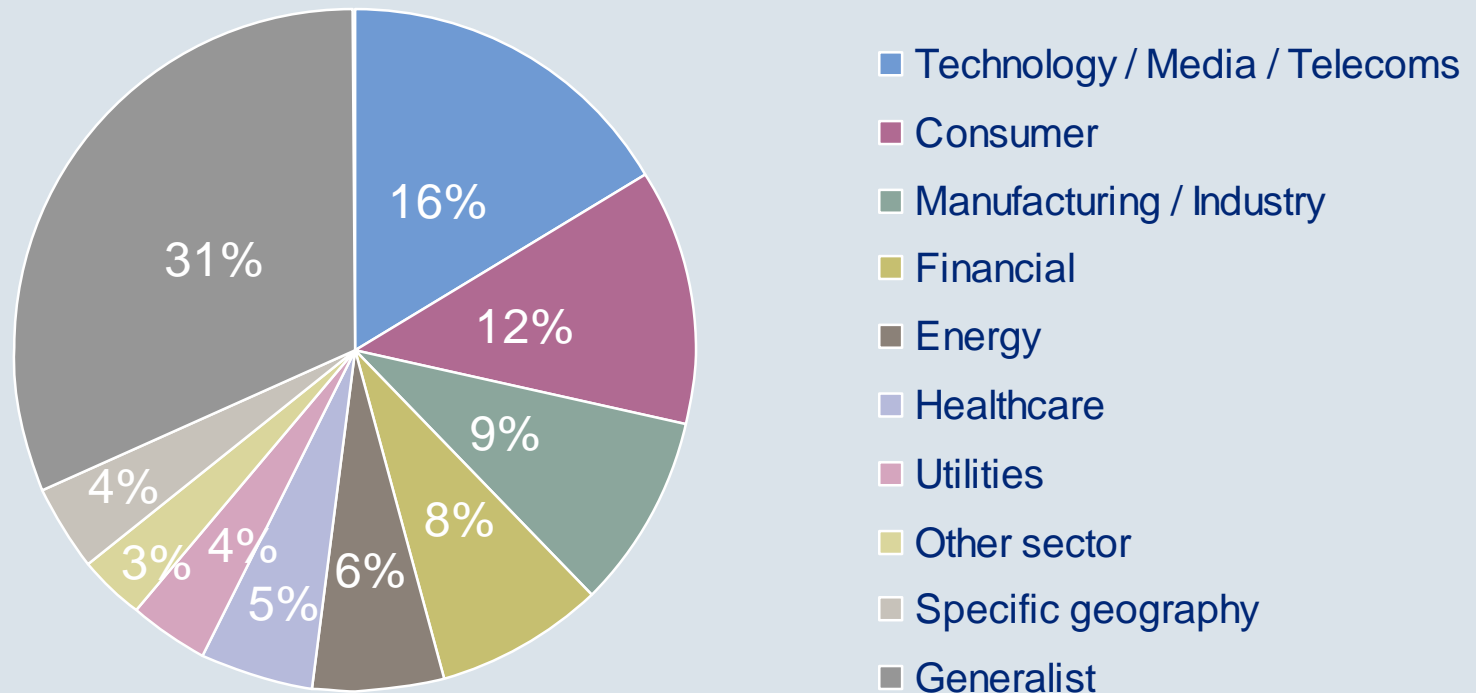
USUAL PLACE OF WORK

Participants were evenly split between North America and Europe. In the US, the majority of respondents are based on the East Coast, while in Europe, respondents were divided evenly between the UK and mainland Europe



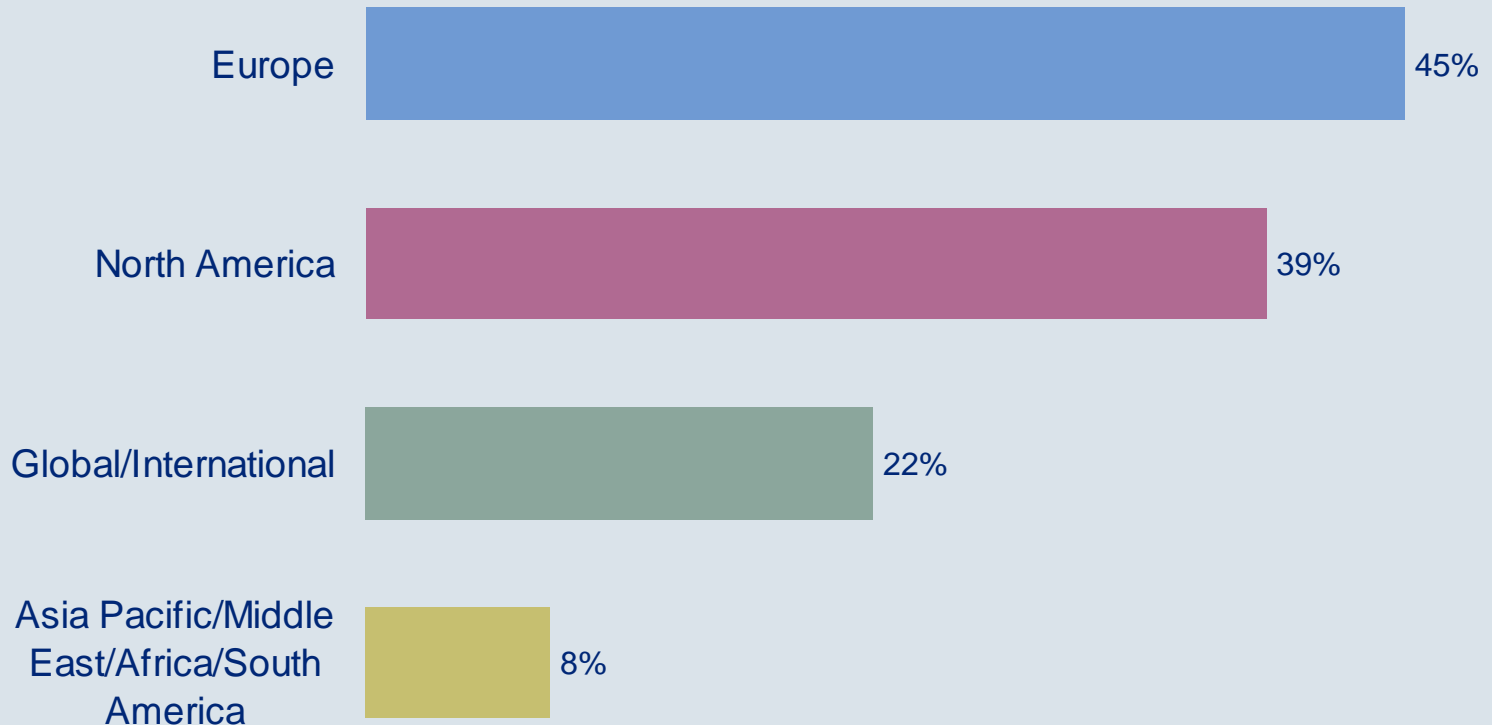
INDUSTRY SECTOR

Most investors and analysts who took part in the research cover a specific sector, most commonly the Technology / Media / Telecoms and Consumer sectors. One third of respondents have a more general remit



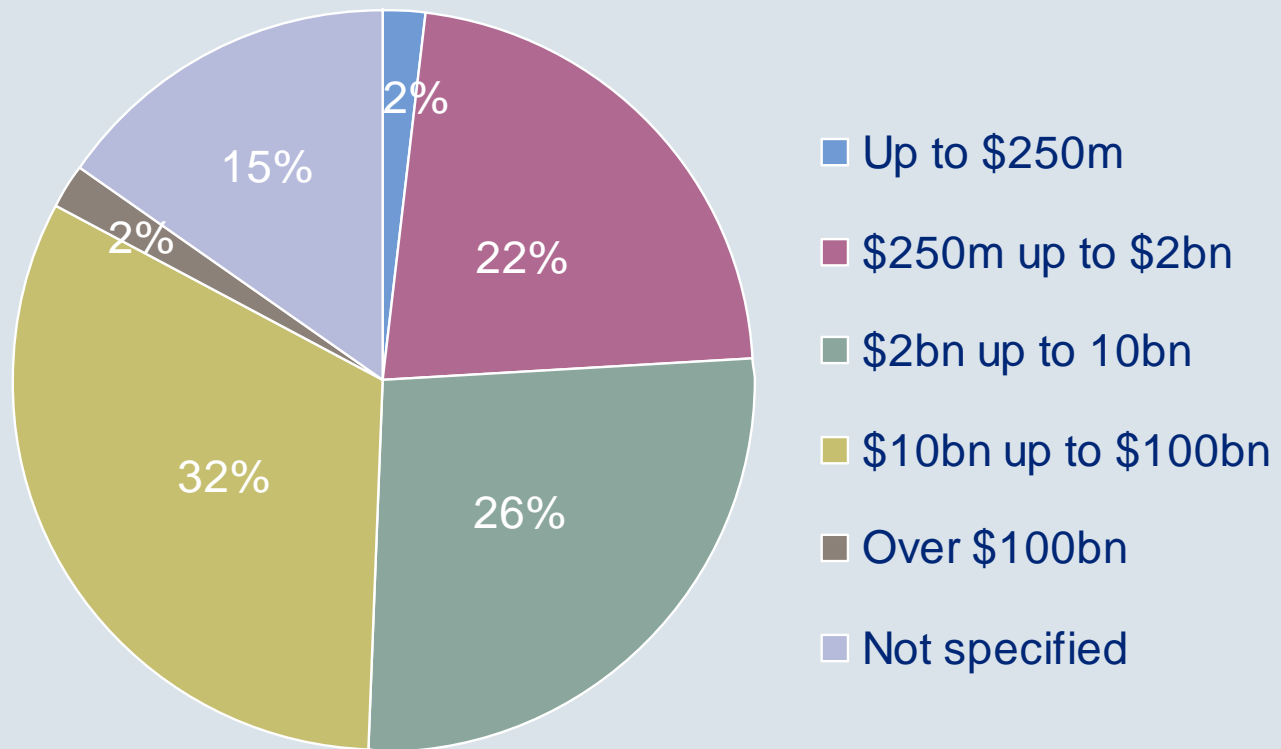
GEOGRAPHIC AREA OF FOCUS OF INVESTMENTS

The analysts and investors who participated are generally responsible for investments in Europe and North America. One in five are responsible for investments on an international / global level



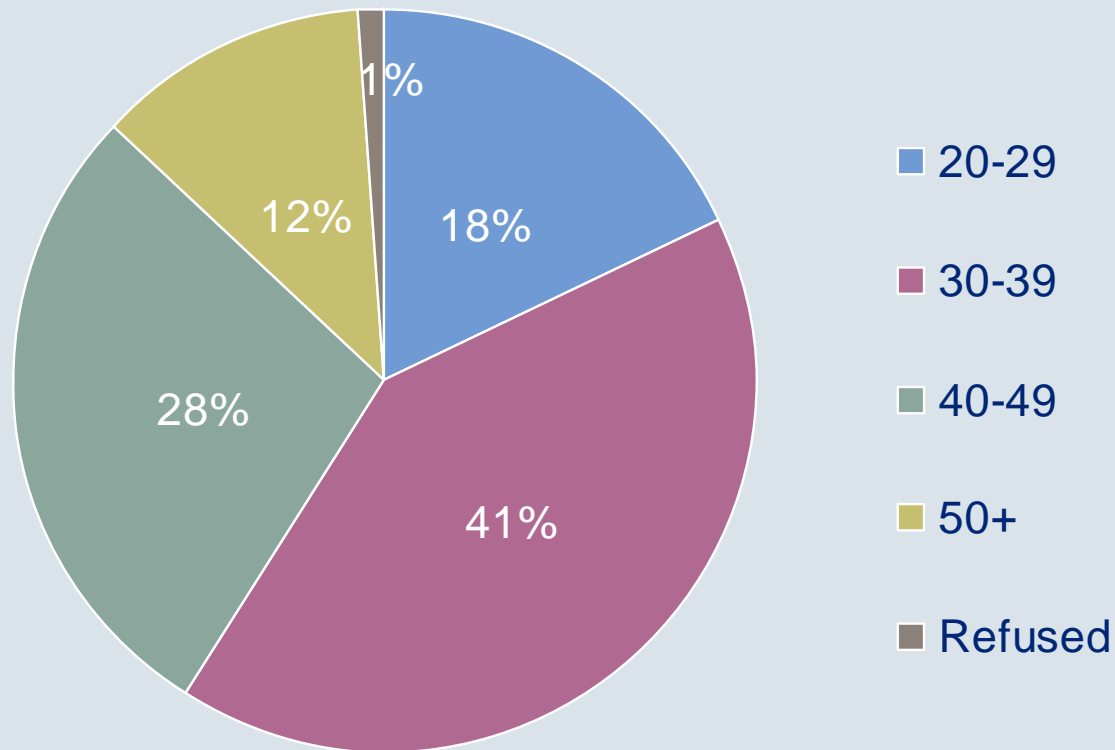
VALUE OF ASSETS

Participants are responsible for managing a range of sizes of funds, and are spread quite evenly between small, mid and large cap



AGE OF RESPONDENTS

The majority of participants are in their thirties or forties



BRUNSWICK

RESEARCH