PRESS RELEASE

CHARLES STANLEY

Confidence driving significant risk appetite in UK's DIY Investor community

- **95% of DIY investors are looking to take some level of investment risk in the next 3 months - and 33% will take high risk**
- **Gen Z DIY investors are most open to taking a more bullish 'high risk' approach (61%), followed by millennials (39%)**
- **Investment risks can be attributed to investors' confidence in a rise in FTSE - 71% of DIY Investors think the FTSE will rise in the next six months - only 10% think it will fall**
- **And these beliefs are backed by action - 40% have increased their exposure to the FTSE 100 in the last 3 months, only 9% have reduced exposure**

Self-directed investors - dubbed DIY investors, in that they actively choose their own investments - are planning to take a more bullish approach to risk within their portfolios in the next 3 months, according to new research from digital investment platform Charles Stanley Direct.

Asked to rank their own investment risk appetite, 11% of investors are looking to take a 'very high' level of risk in the next three months, and 23% a 'high' level. 43% look to a moderate level of risk, while only 1 in 5 (19%) DIY investors want a low-risk strategy. A mere 4% will take no risk.

Age plays a critical role in investment strategy, with Generation Z DIY investors being the most open to an adventurous approach to risk - 61% plan to take a 'high risk' approach, compared to millennials (39%), who naturally would also be at a stage of growing their wealth. In comparison, Boomers are now in off-risk mode, with over half (51%) seeking a low level of risk or no risk at all in the next 3 months - and only 9% seeking high risk.

When asked how this risk level has changed compared to their current investment approach, most investors are looking to become more bullish in the coming weeks. The research found 42% of DIY investors are seeking a higher than usual level of risk in the next three months, with 10% seeking a significantly higher risk profile than normal.

This is especially true for investors with a financial adviser. 67% of DIY investors taking advice are set to take on a higher level of risk, versus just 33% of those without.

Stock market confidence…

Much of this risk appetite can be attributed to optimistic expectations of the stock market. The research found that 7 in 10 (71%) DIY investors think that the FTSE will rise in the next 6 months, and so may be looking to capitalise on those returns. On the other hand, a minority (10%) believe the FTSE will fall in the second half of the year.

This confidence is driven by young investors. 80% of Gen Z DIYers believe the FTSE will rise, followed by 77% of millennials. This falls to 64% of Gen X, and the same of Baby Boomers. Men are also more confident, at 74%, than their female investor counterparts (68%).

… translating into action

Critically, investors are putting their money where their mouth is. 40% of DIY investors have increased their exposure to the FTSE 100 in the last 3 months, and only 9% have reduced exposure. Those investors taking financial advice are most likely to have increased investors, at 52% compared to 36% of those not taking advice.

And it's not just the FTSE 100. Investors are also backing UK mid cap companies, with 35% increasing exposure to FTSE 350, and only 10% decreasing exposure. 28% have increased their exposure to the Alternative Investment Market (AIM), which can also help mitigate inheritance tax liabilities.

Beyond equities, confidence in the UK translates to other asset classes. 32% of investors have increased their exposure to corporate bonds (only 11% decreasing their position), and 34% stated that they have increased their exposure to gilts (UK government bonds). This comes as UK bonds rally following the decisive election last month.

This increase in British exposure puts the FTSE at the top of the global podium. Compared to the 40% of DIY investors upping their FTSE 100 exposure, only 33% are increasing their exposure to US equities, 29% to European stocks, and a mere 25% to Asian equities.

Rob Morgan, Chief Investment Analyst at Charles Stanley Direct, comments: "The UK has a thriving network of 'DIY investors' - people who are proud to make their own investment decisions and turn their financial ambitions into reality. Those investors are currently recovering from a tough few years, full of economic uncertainty, political turmoil, and market volatility. Now, the future looks bright, with expectations for higher growth, lower interest rates, and something that looks suspiciously like stability.

"Younger investors, and investors that take financial advice, are driving forces of optimism, and rightly so. Those who can afford to take on higher risk at the moment are likely to be well rewarded. Despite a rocky global market dip at the beginning of the month, the FTSE is up 6% year to date and rebounding well. Investors who have been actively increasing their exposure to British equities over the last three months - at a higher rate than their global investments - will be well positioned to realise their financial ambitions faster and more effectively than their passive peers - but all investors should be following the same rules; investing for the long-term, with a diversified portfolio, and advice where appropriate."

ENDS

Methodology

The research was carried out for Charles Stanley by Censuswide, among a sample of 1007 DIY Investors in the UK ('Self-Directed'), defined as; investors who actively choose their own investments, making their own asset allocation decisions, aged 18+. Survey conducted between 05/07/24 and 10/07/24.

Generational divides are as follows: Gen Z (18-26), Millennial/ Gen Y (27-42), Gen X (43-58), Baby Boomers (59-77), Silent Generation (78+). Responses were not high enough in the Silent Gen to be statistically significant.

For further information please contact:
Olivia Nelson / Sam Peploe
Teamspirit
Charles-Stanley@teamspirit.uk.com
07392 106925 / 07810 512006

PRESS RELEASE

Joanne Higginson / Lucy Cotter
Charles Stanley
media@charles-stanley.co.uk

About Charles Stanley

Charles Stanley is a leading UK Investment Management Company. Its origins trace back to 1792. It provides services direct to private clients, charities, trusts and professional institutions. It also works with financial advisers, legal, accountancy and other professional services firms, supporting them with their client objectives.

It is dedicated to providing clients with the highest standard of service and peace of mind at every step of their financial journey, delivered by over 800 staff located in 26 offices across the UK. Its services comprise:

- **Investment Management Services**, offering personal discretionary, advisory and execution-only services.
- **Asset Management,** providing investment solutions serving retail, institutional and intermediary clients, such as our model portfolio service (MPS), mutual funds and fiduciary management.
- **Financial Planning**, advising clients on how to plan their finances to meet current and future lifestyles.
- **Direct Investment Service**, an award-winning digital execution-only platform that makes investing in a portfolio of funds and shares simple and cost-effective.

Charles Stanley & Co. Limited is authorised and regulated by the Financial Conduct Authority and is part of the Raymond James Financial, Inc. group of companies.

www.charles-stanley.co.uk