

# CANADIAN INVESTORS' PERCEPTIONS OF MUTUAL FUNDS AND THE MUTUAL FUND INDUSTRY

2014

Report Prepared For:

THE INVESTMENT FUNDS INSTITUTE OF CANADA



THE INVESTMENT  
FUNDS INSTITUTE  
OF CANADA

By:

POLLARA 

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# Introduction

The following report contains the findings of the ninth wave of IFIC's annual telephone survey of mutual fund investors in Canada. The survey was conducted by POLLARA, an independent public opinion and market research firm.

The study was initiated by the mutual fund industry, through The Investment Funds Institute of Canada, to better understand the attitudes and opinions of Canadian mutual fund holders; to identify their needs, expectations, behaviours and opinions and to track these over time.

This research is designed to explore attitudes and behaviour regarding mutual funds, including:

- Confidence in mutual funds meeting financial goals;
- Methods of purchasing mutual funds and advisor's role in decisions;
- Staying informed about mutual fund investments;
- Assessments and understanding of investor risk tolerance and,
- Impressions regarding fees paid for mutual funds and advice.

# Methodology

For the current wave of research, 1,002 telephone interviews were conducted with mutual fund holders eighteen years of age or older who make all or some of the decisions regarding mutual fund purchases in their household. All interviews were conducted between July 10, 2014 and August 4, 2014.

The following tables show the actual number of interviews conducted in the 2014 study, the weighted number of interviews, and the corresponding margins of error for overall results. National results have been weighted<sup>1</sup> to ensure the results are representative of mutual fund holders by region and gender. Regional results tend not to vary substantially. As such, the report highlights national findings. Any instances where there are statistically significant differences between regions are noted in the findings.

**Table A: Sample Distribution 2014**

	Actual Interviews (#)	Weighted Interviews (#)	Margin of Error (%)
Atlantic Canada	100	50	±9.8%
Quebec	200	200	±6.9%
Ontario	300	430	±5.6%
Manitoba/Saskatchewan	100	73	±9.8%
Alberta	150	118	±8.0%
BC	152	129	±8.0%
<b>TOTAL</b>	<b>1,002</b>	<b>1,000</b>	<b>±3.1%</b>

Where possible, national results from the current wave are tracked against results from the last wave of research. Sub-sample results (i.e., results for different demographic groups) have a larger margin of error than the overall margins listed in the table below. **Generally speaking, changes of five or fewer points from one year to another are not considered statistically significant.** Please note that unweighted sample sizes are cited throughout the report. For all nine waves, interviews were conducted in both English and French, depending on the respondent's language preference.

**Table B: Year-Over-Year Methodological Characteristics**

Year	Sample Size	Margin of Error	Interview Dates
2014	1,002	±3.1%	Jul. 10 to Aug. 4, 2014
2013	1,004	±3.1%	Jun. 23 to Jul. 7, 2013
2012	1,000	±3.1%	Jun. 13 to Jul. 2, 2012
2011	1,006	±3.1%	Jun. 10 to Jun. 24, 2011
2010	1,002	±3.1%	Jun. 11 to Jun. 24, 2010
2009	1,002	±3.1%	May 28 to Jun. 9, 2009
2008	1,895	±2.3%	May 29 to Jun. 17, 2008 <sup>2</sup>
2007	2,508	±2.0%	May 23 to Jun. 27, 2007
2006	1,865	±2.3%	Jun 15. To Jul. 11, 2006

<sup>1</sup> Regional and gender weights are based on 2013 PMB data.

<sup>2</sup> Please note the 2008 survey was conducted prior to the commencement of the economic downturn.

# Executive Summary

## I. Confidence in Mutual Funds

- **When it comes to confidence in financial investments, Canadian mutual fund holders continue to have the most confidence in mutual funds.**
  - Mutual funds enjoy high confidence, as 85% of Canadian mutual fund investors say funds will help them meet their financial goals. Meanwhile, somewhat fewer express confidence in stocks (65%), GICs (64%), and bonds (55%).
  - Canadian mutual fund investors are as confident in mutual funds (85%) as they are in their primary residence (84%) as investments to help them to meet their financial goals.
- **Investors feel they are knowledgeable about investing in mutual funds, and this perception has remained solidly consistent since 2009.**
  - Currently, 80% of investors describe themselves as *somewhat knowledgeable* (34%), *knowledgeable* (44%) or *very knowledgeable* (3%).

## II. Methods of Purchasing Mutual Funds and Advisor's Role in Decisions

- **Advisors continue to be the primary source of mutual funds for Canadian investors.**
  - As was the case in 2013, about nine out of 10 mutual fund investors in Canada purchased their funds from an advisor (87%), with only one in 10 opting to purchase online or from an individual such as a customer service representative (11%).
- **Mutual fund investors continue to rely on their advisors to help them in making investment choices. Very few make decisions entirely on their own or simply do what their advisor recommends without question.**
  - The clear majority of mutual fund investors (90%) say that their advisor discussed the suitability of the mutual funds to their investment goals.
  - Overall, investors continue to be highly satisfied with the advice offered by their advisors. In 2014, 86% say they are *satisfied* or *very satisfied* (seven or higher on a ten-point scale).

- **Canadian mutual fund investors trust their advisors to give them sound advice.**
  - Nearly all investors feel that they can trust their advisor to give them sound advice (98%), and a significant proportion also agree that they get a better return on their investments than they would without an advisor (92%).

### **III. First Use of Financial Advisor**

- **When they first started using an advisor, two-fifths (37%) of mutual fund investors had less than \$10,000 to invest and one-half (53%) had less than \$25,000.**
  - The 37% with less than \$10,000 to invest when they first started seeing a financial advisor includes 15% who had \$5,000 to \$10,000, 18% who had less than \$5,000, and 4% who had no savings/investments at all.

### **IV. Staying Informed about Mutual Funds**

- **As a communications method/format for receiving information about mutual funds, advisors are more preferred than any other channel tested.**
  - Three of the top four information sources being word-of-mouth from advisors (84%), e-mail newsletters from advisors (61%) and advisor websites (48%). The only other top source noted is the news media (56%).
- **Investors are quite comfortable that they had the right information to make an informed decision during their most recent purchase.**
  - Overall, 95% of investors feel at least somewhat comfortable they could make an informed decision given the information available, with half (49%) saying that they are very comfortable.

### **V. Risk Tolerance Assessment and Appetite**

- **Nearly all (95%) mutual fund investors say that they discussed their comfort level with investment risk with their advisor. While still a clear majority (81%), fewer investors say that they were asked to fill out a risk assessment questionnaire.**
  - In 2014, three quarters of investors (74%) say that they have had a risk tolerance conversation with their advisor in the past year, with

nearly half (45%) having done so in the past six months. Few (12%) say that it has been more than two years.

- **Nearly all investors recall being satisfied with their advisor's original risk assessment (97%) as well as with their ongoing understanding of their risk tolerance (96%).**

## **VI. Impressions Regarding Fee Payments**

- **The proportion of investors who recall their advisors discussing compensation and the MER during their most recent mutual fund purchase has stabilized in recent years while the discussions around fees has begun to show a pattern of slow and steady decline.**
  - In 2014, 60% of investors could remember having a discussion with their advisor about fees at the time when they made their most recent mutual fund purchase. This is down from 64% in 2011.
  - However, 56% could remember discussing MERs and 52% could remember discussing compensation. Each of these figures has remained consistent since 2010.
- **About three quarters of investors are at least somewhat confident in their knowledge of the mutual fund fees they pay.**
  - The majority of investors (73%) continue to be at least somewhat confident in their knowledge of any fees they pay for their mutual funds. One in seven (15%) say they are very confident – rebounding to the high recorded in 2011.
- **Seven in ten mutual fund investors (70%) believe part of the fees charged in the mutual funds they invest in go towards compensating their advisors; 22% do not.**
  - One out of seven (15%) say they pay a fee directly to their advisor or to their advisor's managing dealer.
  - Just over half (54%) would prefer to compensate their advisor through mutual fund fees, whereas 38% would prefer to pay a direct fee. However, if the direct fee resulted in higher overall costs, just 18% would be likely to continue using an advisor; 30% would be somewhat likely, and nearly half (48%) would not be likely to continue using an advisor.

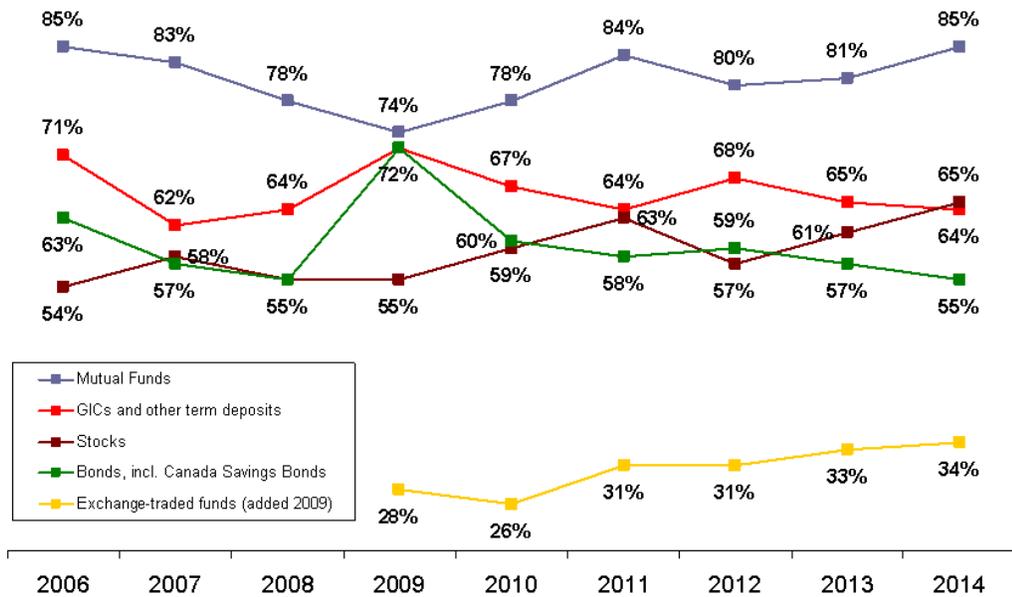
# Detailed Findings

## I. Confidence in Mutual Funds

### A. Confidence in Mutual Funds Meeting Financial Goals

Overall, confidence in mutual funds has continued to improve steadily since 2009, and is now again in line with the confidence levels of 2006 (85%) and in fact, improved significantly from 2013. Confidence in stocks have improved again since last year, and has reached 65%, the highest it has been since tracking began in 2006. Confidence in bonds is beginning to show signs of a downward trend, down 5% from 2010. Exchange-traded funds (asked since 2009) are maintaining the level of confidence reached last year, now sitting at 34%.

**Figure 1.**  
**Confidence in Investment Products Meeting Financial Goals\***

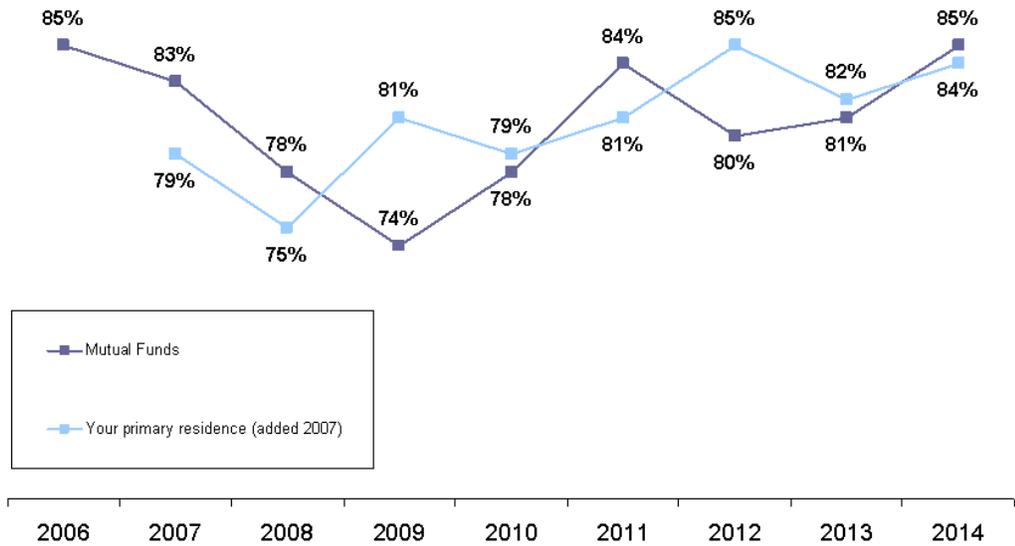


\* Results reflect respondents who rate confidence 5 to 10 on a 10-point scale.

Q3-8: Using a 10-point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? How about: (RANDOMIZE AND READ) [2006 n=1,865; 2007 n=2,508; 2008 n=1,895; 2009 n=1,002; 2010 n=1,002; 2011 n=1,006; 2012 n=1,000; 2013 n=1,004; 2014 n=1,002]

Mutual funds and primary residences are seen as similarly strong in terms of how confident Canadian investors are in them as products to meet their financial goals. Despite the significant improvement in mutual fund confidence since last year, the gap between them continues to be statistically tied.

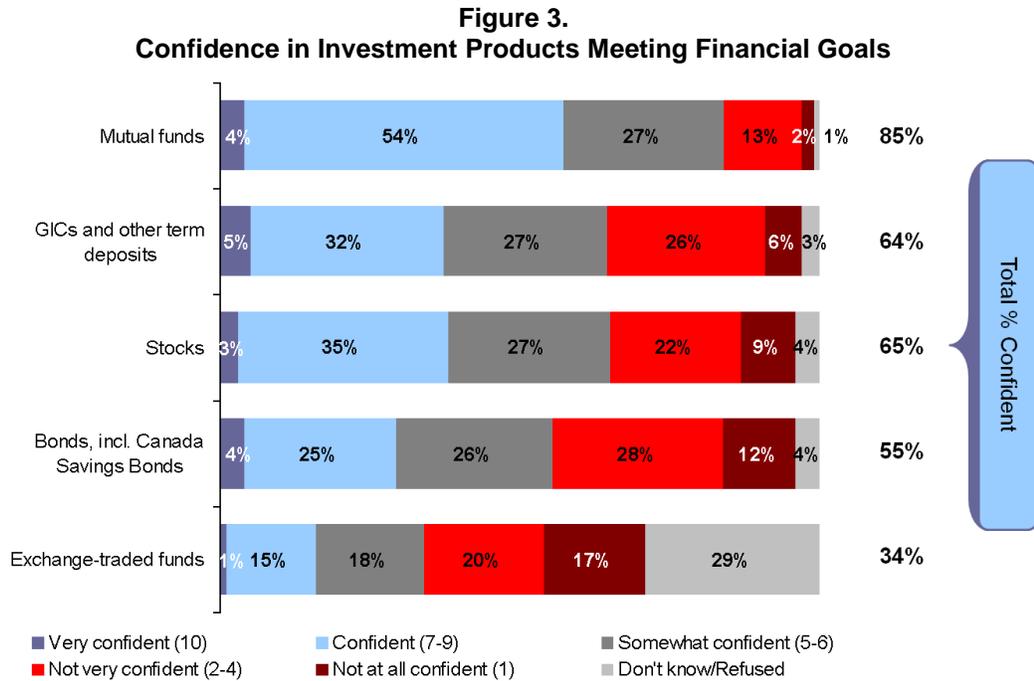
**Figure 2.  
Confidence in Mutual Funds vs. Primary Residence\***



\* Results reflect respondents who rate confidence 5 to 10 on a 10-point scale.

Q3-8: Using a 10-point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? How about: (RANDOMIZE AND READ) [2006 n=1,865; 2007 n=2,508; 2008 n=1,895; 2009 n=1,002; 2010 n=1,002; 2011 n=1,006; 2012 n=1,000; 2013 n=1,004; 2014 n=1,002]

Confidence in other investment products can vary depending on whether a mutual fund advisor is used. Those who purchase their mutual funds online or from a customer service representative are more confident in bonds and exchange-traded funds.



Q3-8: Using a 10-point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? How about: (RANDOMIZE AND READ) [2014 n=1,002]

Confidence in many investment options varies by gender, as the following table shows. In particular, men are more likely than women to express confidence in stocks and ETFs.

**Table 1:**  
**Confidence That Product Will Help Meet Financial Goals by Gender**

Product	Percent Very Confident or Confident	
	Men	Women
Mutual Funds	60%	55%
Stocks	44%	30%
GICs/Term Deposits	35%	40%
Bonds	32%	28%
ETFs	23%	9%

Some other demographic differences also emerged in 2014. Urban investors show more confidence than rural investors in mutual funds, stocks, GICs, and ETFs. Regionally, residents of Quebec said they are more confident across the board - in mutual funds (joined in their opinion by Atlantic Canadians), bonds,

GICs, their primary residence, and ETFs than other Canadians. Meanwhile, the 2013 data revealed that Ontarians and British Columbians were more confident compared to other Canadians in their primary residence as a vehicle to meet their financial goals. However, this is no longer the case in 2014.

Confidence in each type of investment is understandably higher among investors who own that particular product. For example, 71% of bond owners have confidence in the ability of bonds to meet their financial goals as compared to 46% of investors who do not own bonds. Similar differences exist for stocks (85% versus 45%), GICs (79% versus 46%), ETFs (74% versus 26%) and the primary residence (89% versus 45%). Thus, confidence in the investments a respondent owns tends to be similar to the overall confidence they have in their mutual funds.

Comparing this year's data to the 2013 results, we find that confidence in stocks has improved among both holders (85%, +6) and non-holders (45%, +4). There has also been a perceptible increase in confidence in ETFs among holders 74% (+6). Otherwise, confidence has remained consistent in the remaining investment vehicles from year to year.

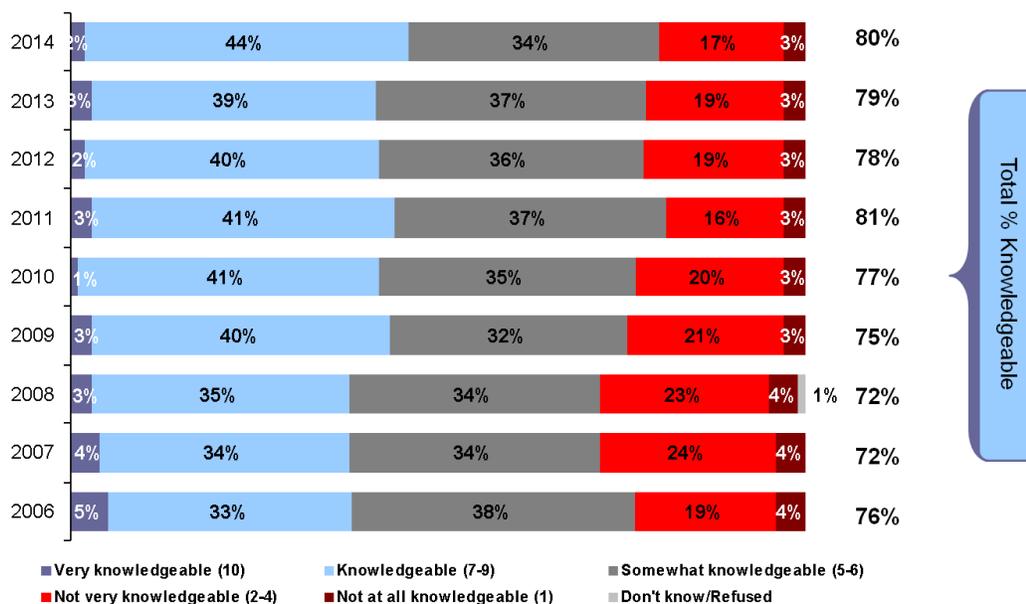
**Table 2:  
Confidence That Product Will Help Meet Financial Goals Among Those Who Invest  
in Each Product**

Product	Percent of MF Investors who Also Own Each Product	Confidence in Product Meeting Financial Goals	
		Invested in Product (Change from 2013)	Not Invested in Product (Change from 2013)
Bonds	37%	71% (+2)	46% (-3)
Stocks	49%	85% (+6)	45% (+4)
GICs	54%	79% (n/c)	46% (-2)
ETFs	17%	74% (+6)	26% (-1)
Primary Residence	89%	89% (+2)	45% (-1)

## B. Knowledge About Investing in Mutual Funds

Investors' self-reported level of knowledge about investing in mutual funds has remained consistent over the past several years. In 2014, 80% of investors see themselves as *somewhat knowledgeable* (34%), *knowledgeable* (44%) or *very knowledgeable* (2%). The 46% who describe themselves as *knowledgeable* or *very knowledgeable* represents an all-time high and marks a significantly higher result than the 2006 to 2008 period. Only 20% say they are *not very knowledgeable* (17%) or *not at all knowledgeable* (3%).

**Figure 4.**  
**Knowledge About Investing in Mutual Funds**



Q2: Overall, using a scale from 1 to 10 where 1 means you are 'not at all knowledgeable' and 10 means you are 'very knowledgeable', how knowledgeable would you say you are about investing in mutual funds? (RECORD ONE ONLY) [2006 n=1,865; 2007 n=2,508; 2008 n=1,895; 2009 n=1,002; 2010 n=1,002; 2011 n=1,006; 2012 n=1,000; 2013 n=1,004; 2014 n=1,002]

There are some differences in self-rated investment knowledge between different groups.

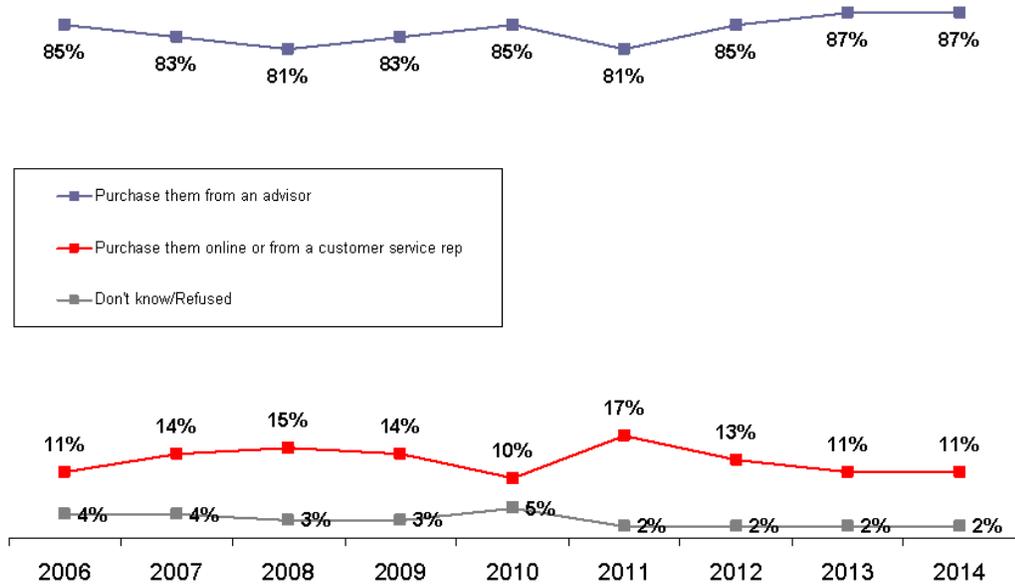
Over half of men (56%) say they are either *knowledgeable* or *very knowledgeable*, as compared to 36% of women. Two fifths (41%) of college graduates are *knowledgeable/very knowledgeable*, compared to half of university graduates (52%). Two fifths (39%) of those who have a household income under \$50,000 say they are *very/somewhat knowledgeable* compared to those with \$100,000 or more (52%). Those who purchase mutual funds online/from an individual also tend to have higher rates of self-reported knowledge compared to those who purchase from an advisor (61% vs. 44%). Half of Quebecers (51%) and Ontarians (50%) say they are *knowledgeable/very knowledgeable* about investing, both noticeably higher than the rest of Canada.

## II. Methods of Purchasing Mutual Funds and Advisor’s Role in Decisions

### A. Use of Advisor for Purchasing Mutual Funds

Advisors continue to be, by far, the most popular method for purchasing mutual funds. Nearly nine-in-ten investors (87%) rely on advisors for purchasing mutual funds – holding steady with 2013’s all-time high results. Purchasing online or through an individual such as a customer service representative has remained unchanged from 2013 at 11%, returning to 2006 levels.

**Figure 5.**  
**Methods of Purchasing Mutual Funds: Most Recent Purchase**



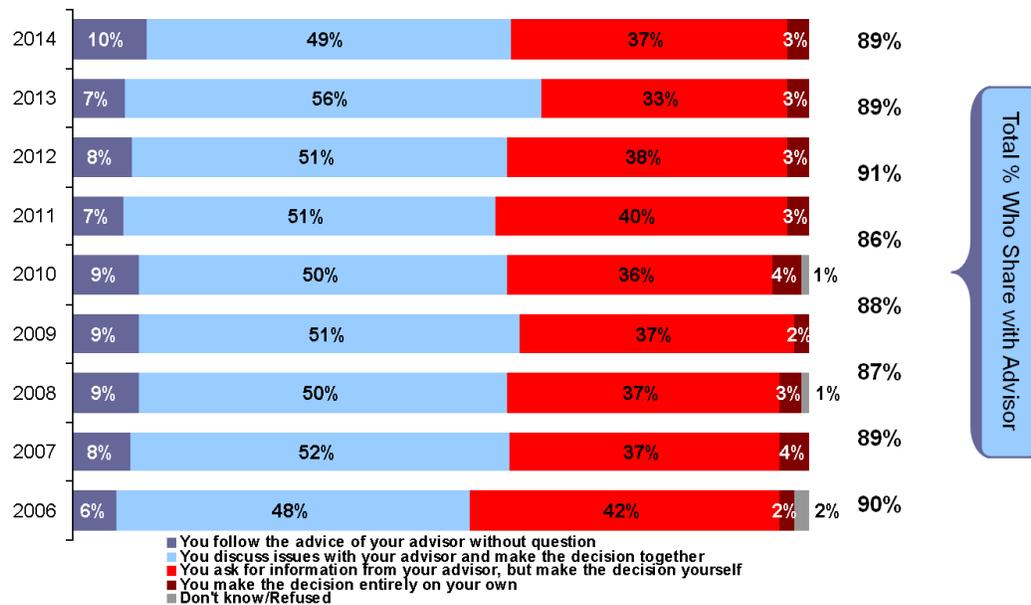
Q9: For the next few questions I would like you think about the last time you invested in a mutual fund. When buying those mutual funds did you: (READ AND RECORD ONE ONLY) [2006 n=1,865; 2007 n=2,508; 2008 n=1,895; 2009 n=1,002; 2010 n=1,002; 2011 n=1,006; 2012 n=1,000; 2013 n=1,004; 2014 n=1,002]

Men are the most likely group to purchase funds online or from a CSR rather than from a financial advisor (16% among men; 6% among women).

## B. Role of Investor and Advisor in Decisions About Mutual Funds

Advisors continue to play a significant role in helping investors make decisions about mutual funds. This has been stable from last year, where 89% shared investing decision-making. This includes 49% who make purchase decisions together with their advisor and 37% who ask for information from their advisor to help them make the purchase decision themselves. By contrast, only a small number follow their advisors without question (10%) or make decisions entirely on their own (3%).

**Figure 6.**  
**Role of Investor and Advisor in Decisions About Mutual Funds**



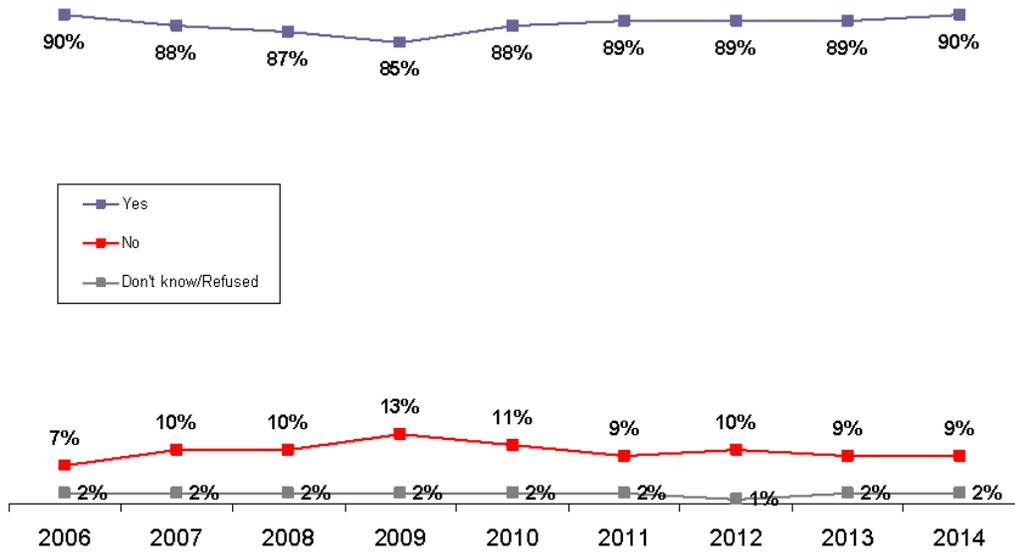
Q15: (IF PURCHASED FROM ADVISOR IN Q9) And overall, when making decisions about mutual funds, which one of the following best describes the roles that you and your advisor play in the decision? (IF NECESSARY: By 'advisor' I mean the person you purchased the mutual fund from. Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles.) (READ AND RECORD ONE ONLY. DO NOT ROTATE) [2006 n=1596; 2007 n=2089; 2008 n=1512; 2009 n=829; 2010 n=856; 2011 n=813; 2012 n=846; 2013 n=885; 2014 n=872]

Regardless of the investment knowledge investors feel they have, the large majority have a role in decision-making themselves, either alone or together with an advisor. However, investors who say they are *not at all knowledgeable* or *not very knowledgeable* are twice as likely (20%) to follow the advisor without question than investors in general (10% overall).

### C. Recall of Advisor Discussing Suitability at Last Purchase of Mutual Funds

A large majority (90%) of mutual fund investors recall their advisor discussing the suitability of the mutual funds to their investment goals. This figure has remained stable since 2006.

**Figure 7.  
Whether Advisor Discussed Suitability**

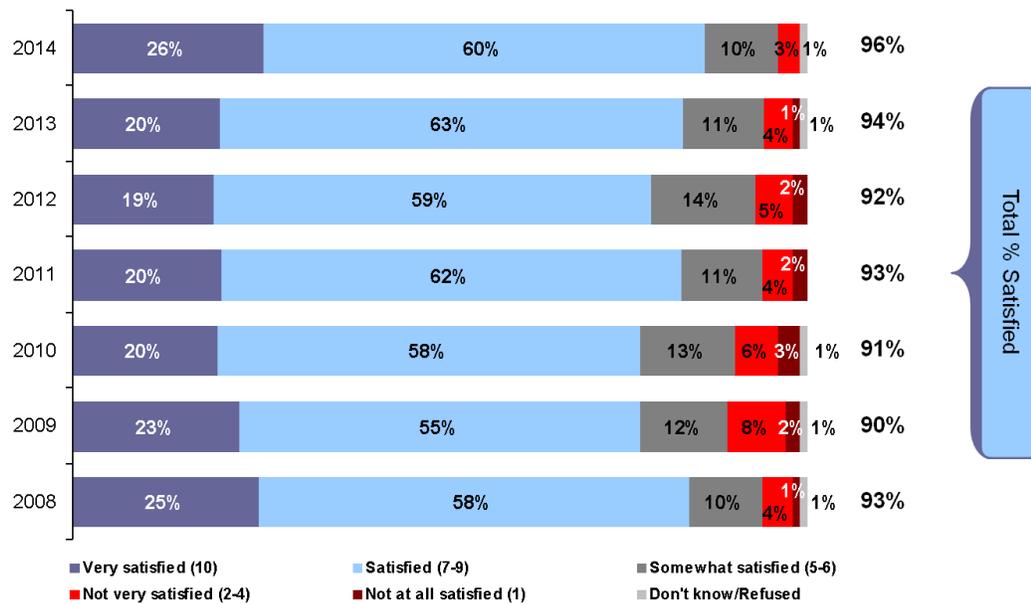


Q10: (IF PURCHASED FROM ADVISOR IN Q9) And still thinking back to the last time you invested in a mutual fund, did your advisor: Discuss how well suited that mutual fund is for reaching your investment objectives. (RANDOMIZE AND READ LIST) (IF NECESSARY: By 'advisor' I mean the person you purchased the mutual fund from. Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles.) [2006 n=1596; 2007 n=2089; 2008 n=1512; 2009 n=829; 2010 n=856; 2011 n=813; 2012 n=846; 2013 n=885; 2014 n=872]

## D. Satisfaction with Advice Provided by Advisor

Nearly all investors are satisfied with the advice given by their advisors. In 2014, 96% said they were at least *somewhat satisfied* (five or a higher on a 10-point scale) and over four-in-five (86%) said they are *satisfied/very satisfied* (seven or higher on a 10-point scale). Up over the last four years, one quarter (26%) of investors rate their satisfaction a perfect 10 out of 10.

**Figure 8.**  
**Satisfaction with Advisor's Advice**



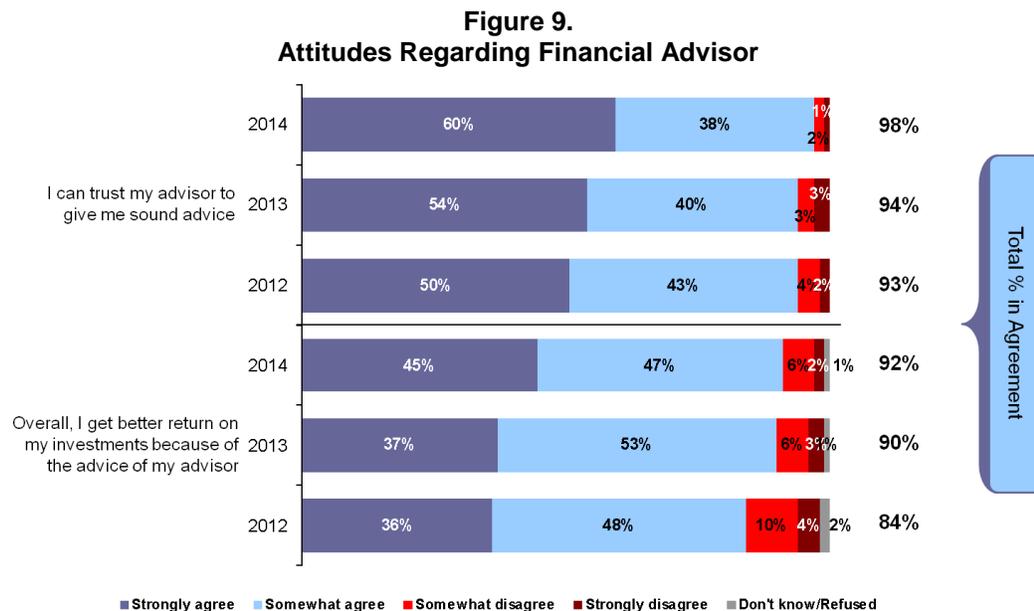
Q17: (IF PURCHASED FROM ADVISOR IN Q9) I would now like to ask you about your relationship with your financial advisor – meaning the advisor who you buy your mutual funds from. Using a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied', how satisfied are you with the advice provided by your financial advisor? (RECORD ONE ONLY) (IF NECESSARY: Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles.) [2008 n=1512; 2009 n=829; 2010 n=856; 2011 n=813; 2012 n=846; 2013 n=885; 2014 n=872]

Those with investments of \$75,000 or higher (89%) are more likely to be satisfied than those with less than \$25,000 to invest (76%). Quebeckers are less likely to report being very satisfied (18%) than the rest of Canada (28%).

## E. Attitudes Regarding Financial Advisor

The vast majority of Canadian investors have very positive attitudes towards advisors. Nearly all (98%) agree with the statement, “I can trust my advisor to give me sound advice.” A similar proportion (92%) agrees with the statement, “Overall, I get a better return on my investments because of the advice of my advisor.”

These results appear to represent increases since 2012, when 93% agreed they can trust their advisor to give sound advice and 84% agreed they realize a better ROI because of the advice they receive from their advisor.



Q18-19: (IF PURCHASED FROM ADVISOR IN Q9) All things considered, how much would you say you agree or disagree with each of the following statements? (RANDOMIZE AND READ LIST: I can trust my advisor to give me sound advice; Overall, I get a better return on my investments because of the advice of my advisor) Would you say you strongly agree, somewhat agree, somewhat disagree or strongly disagree? [2012 n=846; 2013 n=885; 2014 n=872]

While agreement with these statements is consistent across demographic groups, some groups are more likely to *strongly agree* than others. Almost two-thirds (62%) of those with over \$75K in investments say they *strongly agree* that they can trust their advisor to give them sound advice, while fewer than half (41%) of those with under \$25K in investments say the same. Similarly, investors in Quebec (52%) are less likely to *strongly agree* with the statement compared to investors across the rest of the country (61%).

Getting a better return with an advisor is also felt more strongly by some groups than others. Half (50%) of those 55 and older strongly agree with this statement as compared to one third (37%) of those 18-54. It follows then that retirees (55%) are also more likely to agree than those still working (42%). Those with more than \$75K in mutual fund investments (50%) are more likely than those with less than \$25K in mutual fund investments to strongly agree that they get a better return on investment because of the advice of their advisor.

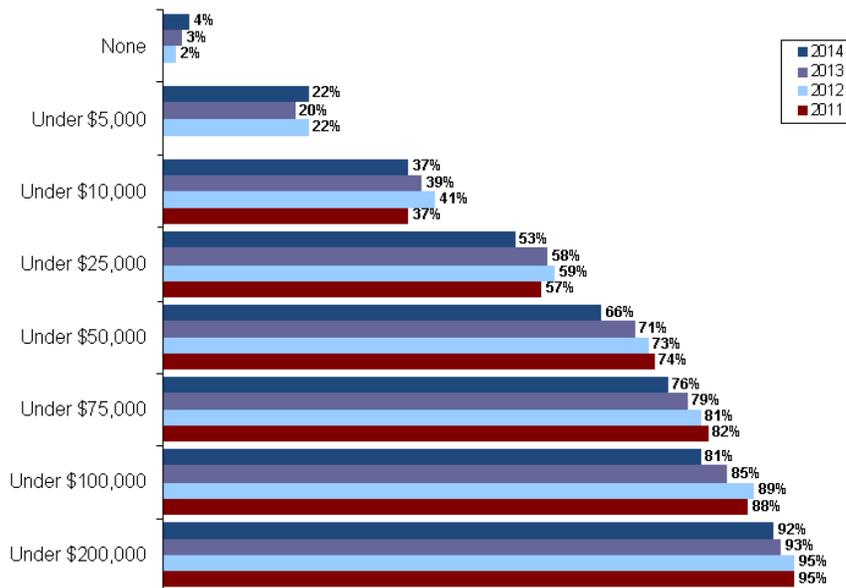
### III. First Use of Financial Advisor

#### A. Value of Savings/Investments at First Use

As with previous years, the value of savings/investments of investors when they first approached an advisor was *less than \$10,000* for two-in-five investors (37%). This is made up of 15% who had *between \$5,000 and \$10,000*, 18% who had *less than \$5,000*, and 4% with *no savings/investments*.

Half of investors (53%) initially approached an advisor when they had *less than \$25,000*, while two-thirds (66%) first approached an advisor when they had *less than \$50,000* in investable assets. Meanwhile, over one-third (36%) first started using a financial advisor when they had already accrued *\$50,000 or more*.

**Figure 10.**  
**Value of Savings/Investments When First Started Using an Advisor**



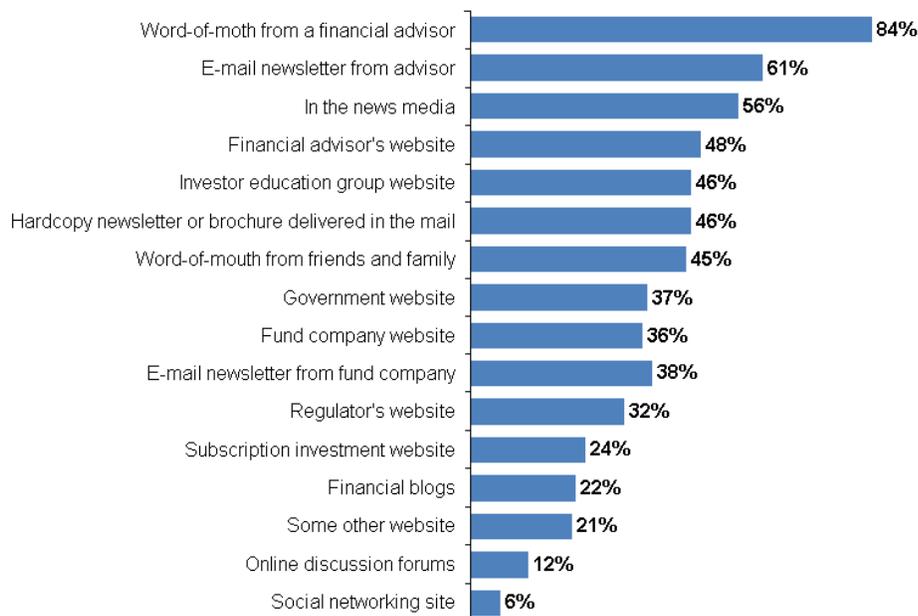
Q26: (IF PURCHASED FROM AN ADVISOR IN Q9) When you first started using a financial advisor, which of the following categories best represents the total value of your household's savings and investments at that time, excluding your primary residence? Was it: (READ LIST) [2011 n=813; 2012 n=846; 2013 n=885; 2014 n=872]

## IV. Staying Informed about Mutual Funds

### A. Preferred Methods of Communication

Advisors remain by far the most popular channel through which investors want to receive information about mutual funds they are considering for purchase. A significant proportion (84%) of investors prefer word-of-mouth from an advisor, 61% prefer an e-mail newsletter from an advisor, and 48% prefer an advisor's website. However, half (56%) of investors prefer receiving information from the news media.

**Figure 11.**  
**Preferred Methods/Formats of Mutual Fund Information**

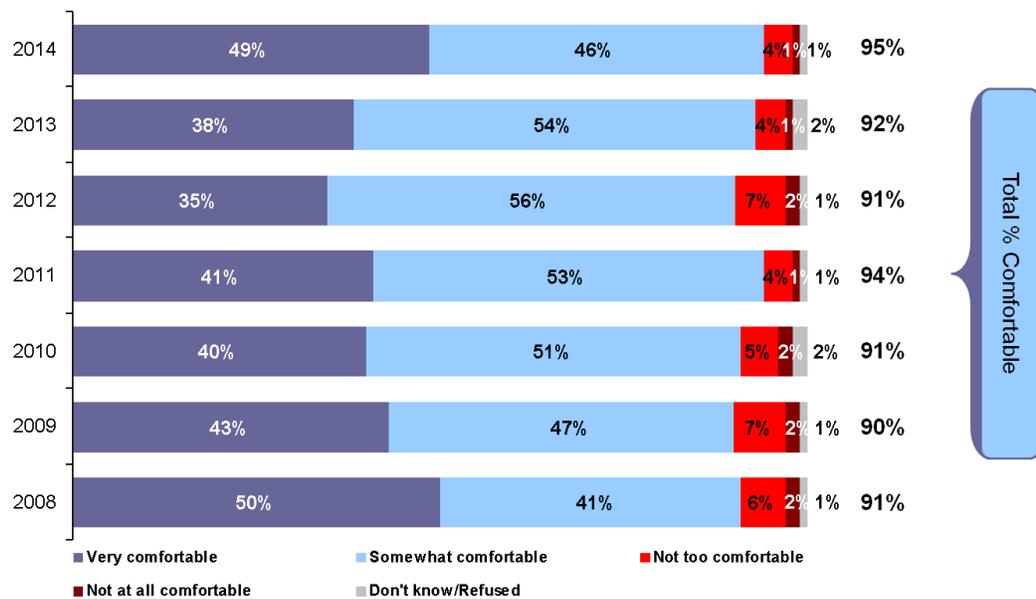


Q14: Going forward, what methods or formats – if any – would you want to receive information about a mutual fund you are considering for purchase? [2014 n=1,002]

## B. Comfort with Information to Make Informed Investing Decisions

The percentage of investors who feel comfortable with the amount of information they have to make an informed decision for their most recent mutual fund investment showed significant growth among those who feel *very comfortable* with half (49%) of investors claiming this is the case in 2014. This results in a slight uptick of the overall comfort level to 95%. The proportion who report being *very comfortable* has returned to a similar level as pre-economic downturn 2008 when it was at its highest.

**Figure 12.**  
**Comfort with Information to Make Informed Investing Decision**



Q16: Thinking back to the last time you invested in a mutual fund, prior to making this last investment, did you feel very comfortable, somewhat comfortable, not too comfortable, or not at all comfortable that you had the right information to make an informed decision? (RECORD ONE ONLY) [2006 n=1865; 2011 n=1,006; 2012 n=1,000; 2013 n=885; 2014 n=872]

The proportions of investors who feel *very comfortable* are higher among those who are less dependent on their advisor for investment decision making as well as those who feel they are at least somewhat knowledgeable about mutual funds (59%). For example half of investors who make decisions on their own (57%) feel *very comfortable* with the information they have to make decisions, compared to one-third of those who follows their advisor’s advice without question (46%).

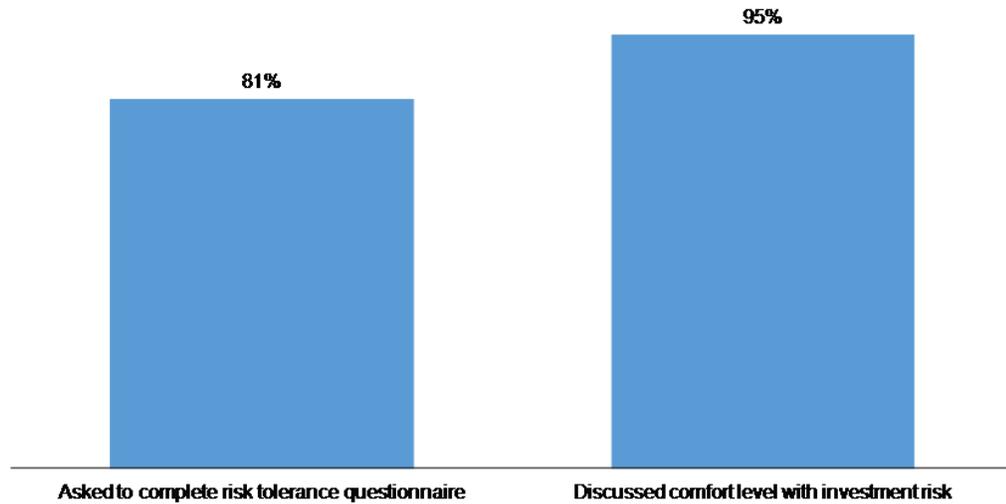
Half of those with at least \$75K of mutual fund investments (54%) are very comfortable as compared to those with less than \$25K (39%).

## V. Risk Tolerance Assessment and Appetite

### A. Communication around Risk Tolerance

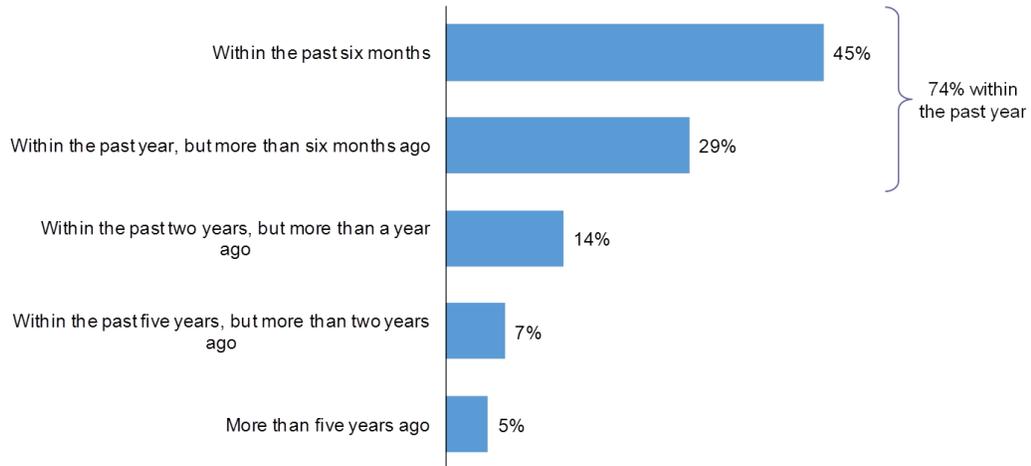
While nearly all (95%) investors say they discussed their comfort level with investment risk with their advisors, noticeably fewer, but still a wide majority, say that they were asked to complete a risk tolerance questionnaire. Three quarters (74%) of investors have had a risk tolerance conversation with their advisor in the past year, with nearly half (45%) having done so in the past six months.

**Figure 13.**  
**Communicating with Advisors around Risk Tolerance**



Q20-21: (IF PURCHASED FROM ADVISOR IN Q9) Has your advisor ever asked you to complete a questionnaire to identify your risk tolerance and overall financial objectives? Has your advisor ever had a discussion with you about the investment risk you are comfortable with? [2014 n=872] (IF YES AT Q20 OR Q21) When was the last time your advisor had a discussion with you about your risk tolerance? Was it ... [2014 n=834]

**Figure 14.**  
**Last Discussion with Advisor around Risk Tolerance**



Q22: (IF YES AT Q20 OR Q21) When was the last time your advisor had a discussion with you about your risk tolerance? Was it ... [2014 n=834]

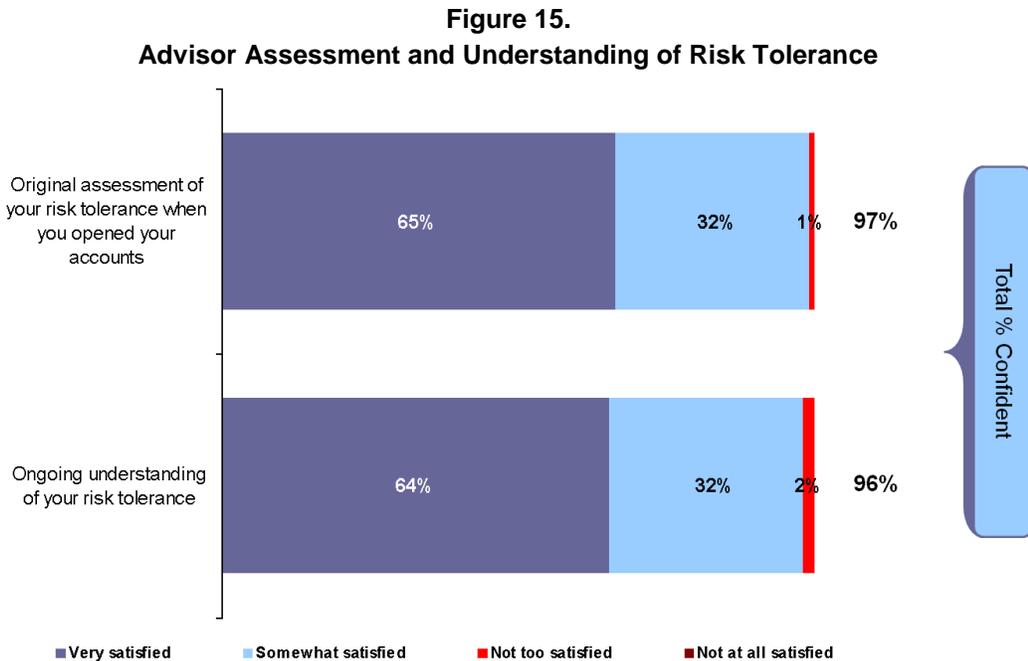
Those aged 18-54 (86%) are significantly more likely to say that they were asked to complete a risk tolerance questionnaire than those aged 55+ (78%). While nearly all of those with household incomes of over \$100K (90%) say they completed the questionnaire, only two-thirds of those with an income of less than \$50K were. Ontario residents (83%) were also more likely to say they were asked than Quebec residents (74%).

While still a clear majority, those with household incomes of over \$100K (97%) say they discussed the level of risk they are comfortable with compared to nine in ten (91%) of those with an income of less than \$50K. The pattern also holds true for those with \$75K or more of mutual fund investments (97%) as compared to those with less than \$25K in investments (86%). Quebec residents (88%) are significantly less likely to say they discussed their level of risk tolerance as compared to nearly all investors (97%) across the rest of the country.

Those with household incomes of less than \$50K (13%) and mutual fund investments of less than \$25K (13%) are the most likely to say that they last discussed their risk tolerance within the last five years, but more than two years ago.

## B. Understanding Risk Tolerance Levels

Nearly all (97%) investors say they are satisfied with their advisors' original assessment of their risk tolerance when they first opened their accounts. In fact, two thirds (65%) say they are *very satisfied*. A similar proportion (96%) are also satisfied with their advisors' ongoing understanding of their risk tolerance, and about two thirds (64%) consider themselves *very satisfied*.



Q23-24: (IF YES AT Q20 OR Q21) And thinking about your advisor, are you very satisfied, somewhat satisfied, not too satisfied or not at all satisfied with each of the following. How about your advisor's: Original assessment of your risk tolerance when you opened your accounts? How about your advisor's: Ongoing understanding of your risk tolerance? [2014 n=834]

Those aged 18-54 are significantly less likely to say they are *very satisfied* (61%) with their advisor's original risk tolerance assessment than those aged 55+ (68%). Similarly, those with less than \$25K (59%) in mutual fund investments are much less likely to report being *very satisfied* than those with \$75K or more (68%). Residents of Atlantic Canada (70%), Alberta (70%) and BC (75%) are more likely than residents from the rest of the country to be *very satisfied*.

Investors still working (60%) are less likely to report being *very satisfied* with their advisor's ongoing understanding of their risk tolerance than those who are retired (71%).

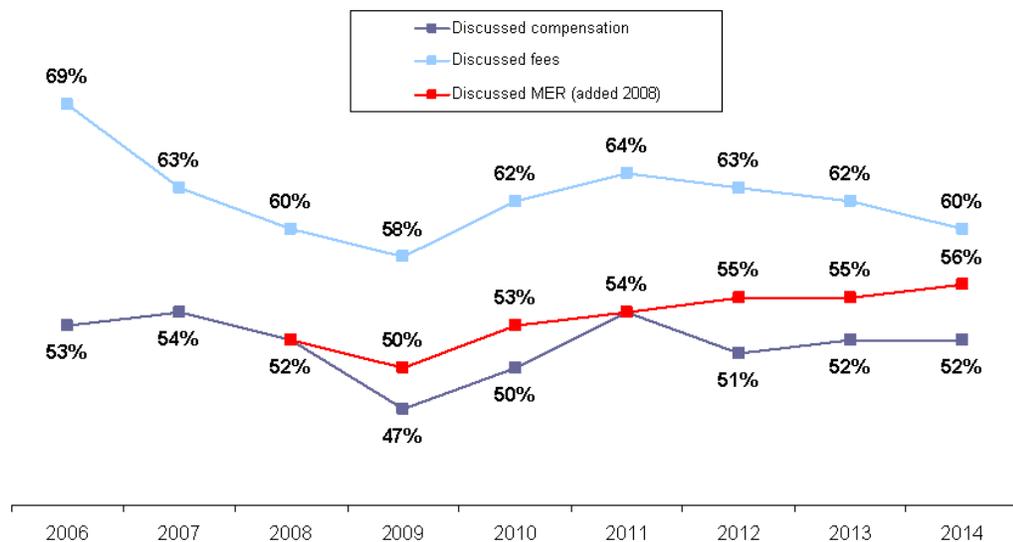
## VI. Impressions Regarding Fee Payments

### A. Recall of Advisor Discussing Fees, Compensation, and MER When Last Purchased Mutual Funds

A majority of investors continue to discuss fees, compensation and Management Expense Ratios (MER) with their advisors when purchasing mutual funds. Of the three topics, investors are most likely to have discussed fees with their advisors (60%), followed by MER (56%) and then compensation (52%). While discussions around compensation and MER have remained highly consistent over the past four years, discussions around fees have shown a slow and steady decline since 2011, albeit not yet reaching 2009's low of 58%.

It is important to be mindful that these figures are based on investors' own recall. The results also pertain specifically to investors' *most recent* mutual fund purchase, which excludes previous conversations during which these topics may have been discussed.

**Figure 16.**  
**Whether Advisor Discussed Compensation/Fees/MER**



Q11-13: (IF PURCHASED FROM ADVISOR IN Q9) And still thinking back to the last time you invested in a mutual fund, did your advisor (IF NECESSARY: By 'advisor' I mean the person you purchased the mutual fund from. Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles)... Make you aware of how he/she would be compensated for your purchase of that fund; Discuss whether or not you will be charged a sales commission when you buy or sell the mutual fund – also called 'front-end load' and 'back-end load' fees; Discuss the fee the mutual fund company receives for managing, distributing, and administering\* the fund, also known as the Management Expense Ratio or the MER? [2006 n=1596; 2007 n=2089; 2008 n=1512; 2009 n=829; 2010 n=856; 2011 n=813; 2012 n=846; 2013 n=885; 2014 n=872] (\*Prior to 2013 this wording only included "managing the fund".)

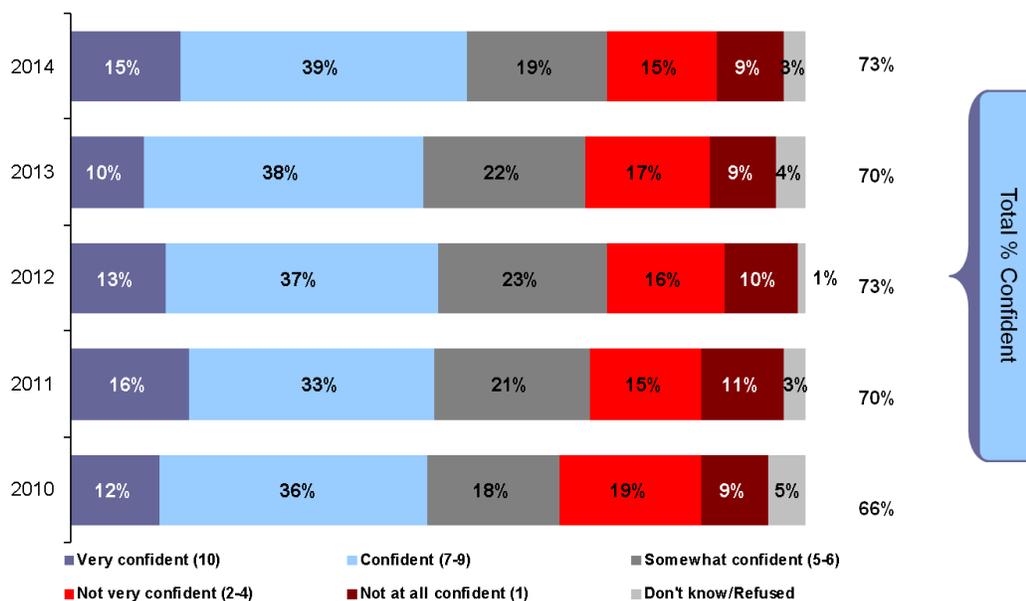
There are few subgroup differences in the incidence rate of these conversations. Those who have more than \$75K in mutual fund investments are more likely to recall having had a discussion about compensation (59%) compared to those with less than \$25K in mutual fund investments (38%). Men (64%) are more likely than women (56%) to have had a discussion around commission. The same can be said of university grads (63%) as compared to those with a high school education (53%). Men (60%) are also more likely to have discussed MER than women (51%), as are those with a household income of over \$100K (58%) compared to those with a household income of less than \$50K (44%).

Those with at least \$75K in mutual fund investments are by far the most likely to have discussed commission (67%) and MER (61%) with their advisors. Meanwhile, Quebecers are less likely to have discussed these topics compared to investors in the rest of Canada.

## B. Confidence in Knowledge of Mutual Fund Fees

In line with results since 2011, seven-in-ten investors feel at least *somewhat confident* in their knowledge of any fees they pay with their mutual funds. This includes 19% who feel *somewhat confident*, 39% who feel *confident*, and 15% who feel *very confident*. The five-point increase in *very confident* from 10% in 2013 to 15% in 2014 is significant and marks a return to 2011 confidence levels.

**Figure 17.**  
**Confidence in Knowledge of Fee Payments**



Q27: Overall, using a scale from 1 to 10 where 1 means you are 'not at all confident' and 10 means you are 'very confident', how confident are about your knowledge of any fees you pay for your mutual funds? [2010 n=1,002; 2011 n=1,006; 2012 n=1,000; 2013 n=1,004; 2014 n=1,002]

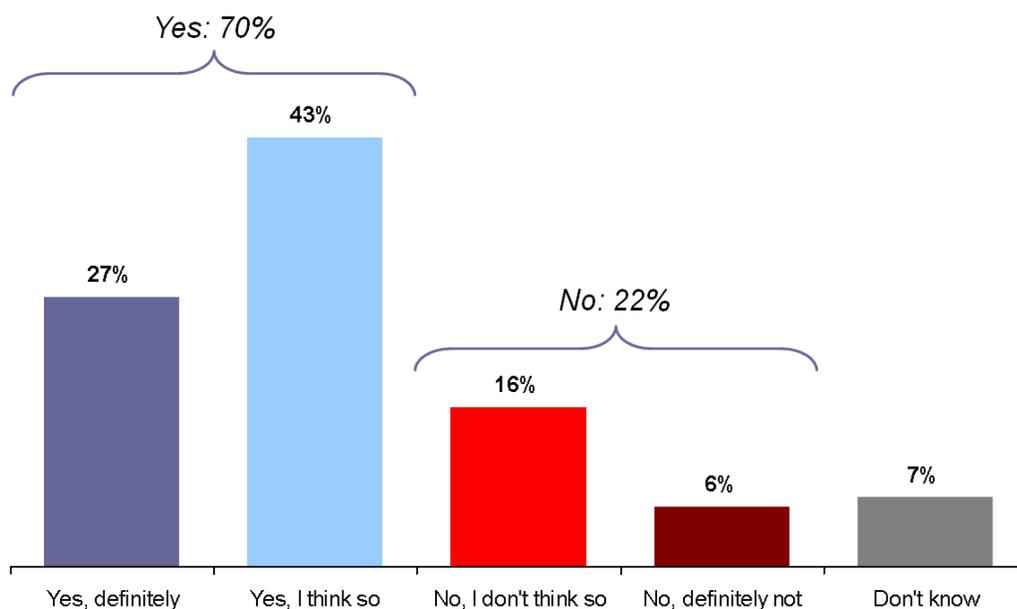
Self-reported knowledge of mutual funds continues to be highly correlated with self-reported knowledge about investing in mutual funds as a whole: 82% of those who say they are *very knowledgeable* about investing in mutual funds also say they are *confident/very confident* about their knowledge of the fees they pay for their mutual funds. This compares to just 6% of those who admit to being *not at all knowledgeable* about investing.

There appears to be a gender and age gap wherein men are more confident than women, and older investors are more confident than younger investors in their knowledge of the fees they pay. Most pronounced is the 29% of young women aged 18-34 who feel *confident/very confident* in their fees knowledge compared to the 64% of older men aged 55+. Along similar lines, retired investors are more likely to be *confident/very confident* (59%) than those in the workforce (50%).

### C. Mutual Fund Fees Used to Compensate Advisor

Among mutual fund investors with a financial advisor, 70% firmly or tentatively believe that part of the fees charged within the mutual funds in which they invest are used to compensate their financial advisor. About one in five (22%) believe this not to be the case, although just 7% are firm in their conviction. Results are virtually unchanged from 2013, when 69% believed they paid their financial advisor through embedded fees at 22% did not.

**Figure 18.**  
**Fees Used to Compensate Advisor**



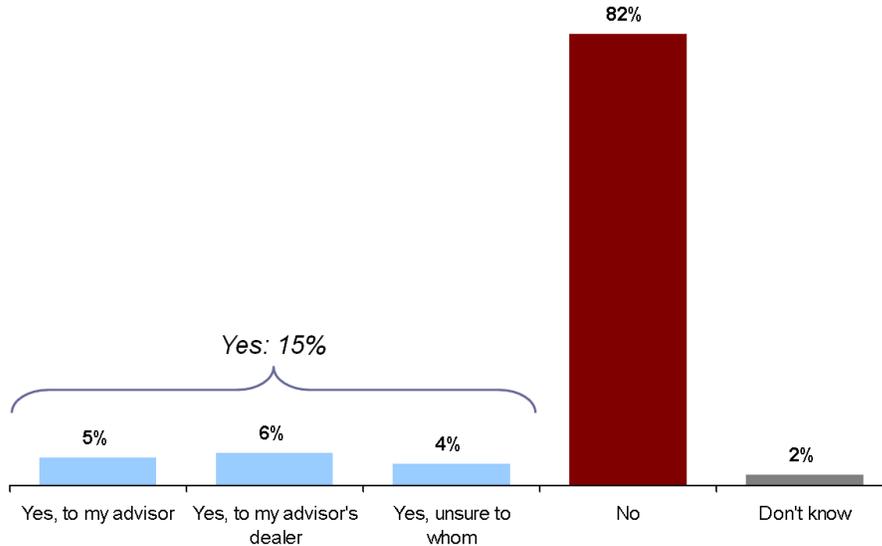
Q28: (IF PURCHASED FROM AN ADVISOR IN Q9) As far as you know, is part of the fees charged within the mutual funds you invest in used to compensate your financial advisor? [2014 n=872]

Investors who claim to be *knowledgeable* about investing in mutual funds are more likely than those with lower levels of knowledge to believe part of mutual fund fees go towards their advisor (74% in total, 36% definitely). Men are also more likely than women to believe their advisors are compensated via mutual fund fees (77% vs. 63%).

## D. Direct Fee Payments

Approximately one out of every seven mutual fund investors who purchase their mutual funds through a financial advisor (15%) say they pay a direct fee for service. Most (82%) do not. Again, these results are nearly identical to the 2013 findings, when 14% said they were paying a direct fee and 85% did not.

**Figure 19.**  
**Direct Fee Payments**



Q29: (IF PURCHASED FROM AN ADVISOR IN Q9) Do you pay any fees directly to your advisor for the services you receive? (IF NECESSARY: And do you pay fees directly to your advisor or to their managing dealer?) [2013 n=885]

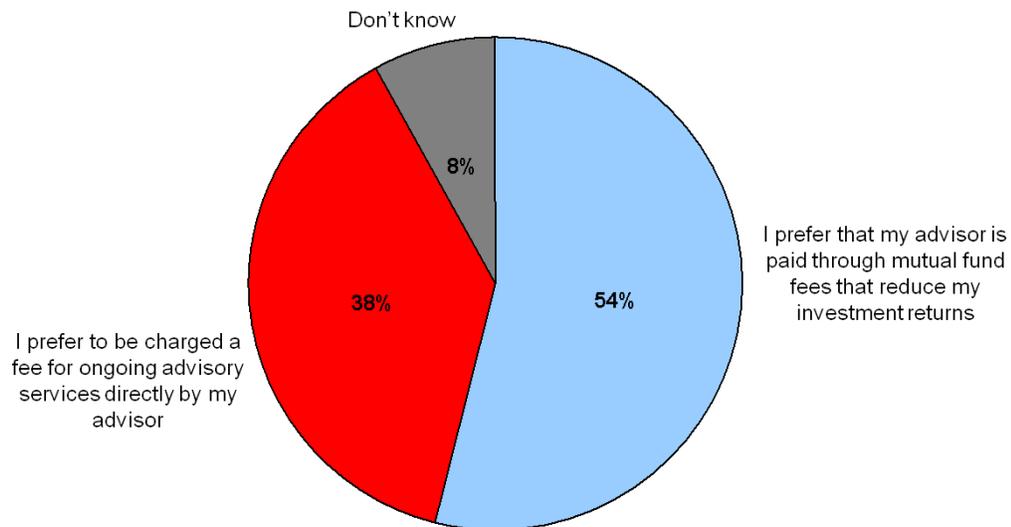
There are not many demographic differences when it comes to fees paid directly. One perceptible difference is that men (19%) are somewhat more likely than women (12%) to say they pay a fee directly to their advisor for the services received.

## E. Preferences for How Advisor Is Compensated

Mutual fund investors are divided on how they would prefer their advisor be paid. Just over half (54%) would prefer their advisor be paid through mutual fund fees that reduce their investment returns, while two in five (38%) would prefer to be charged a fee for ongoing advisory services directly by their advisor.

This represents a slight shift since last year towards a preference for embedded fees. In 2013, 51% would have preferred that their advisor be paid through mutual fund fees, whereas 41% would have preferred to be charged a direct fee.

**Figure 20.**  
**Compensation Model Preferences**

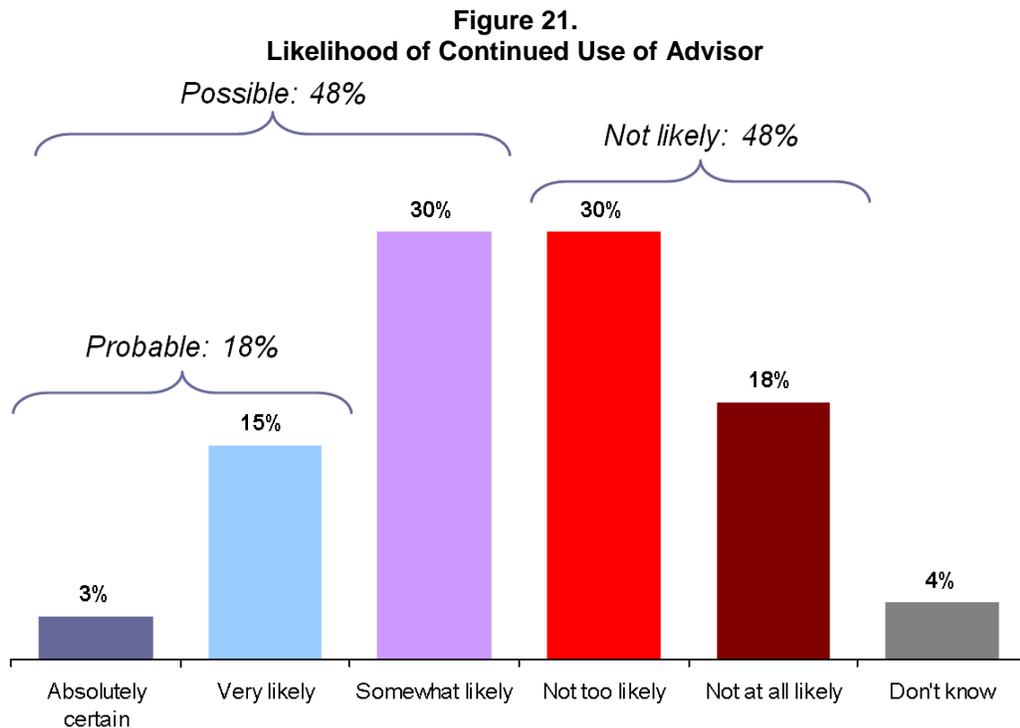


Q30: (IF PURCHASED FROM AN ADVISOR IN Q9) Which of the following two statements comes closest to your own personal preference on how your advisor is paid? [2014 n=872]

As was the case in 2013, there are no obviously discernible patterns regarding the type of investor who would prefer to be charged a direct fee for service. The compensation model utilizing mutual fund fees remains the slightly preferred option by all investor types regardless of demographic, socio-economic, attitudinal or behavioural characteristics.

## F. Likelihood of Using Advisor Despite Higher Fees

If a direct charge fee was implemented by their advisor that was higher than the current fee embedded in their mutual fund, half of all mutual fund investors in Canada who currently use an advisor (48%) say they would be unlikely to continue doing so – a figure that is unchanged since 2013's 47%. Another 30% say they would only be *somewhat likely* to continue using their advisor's services (33% in 2013). This leaves just 18% who say they would be either *absolutely certain* or *very likely* to continue using their financial advisor if the overall fee was higher as a result of implementing a direct charge model, which again is similar to 2013's 16%.



Q31: (IF PURCHASED FROM AN ADVISOR IN Q9) If a direct charge fee was implemented by your advisor, how likely would you be to continue to use your advisor's services if the fee was higher than the current fee embedded in your mutual fund? [2014 n=872]

## **Appendix: Wording of Survey Questions**

## Wording of Survey Questions

### 2014 IFIC Survey of Canadian Mutual Fund Investors

#### Final Questionnaire

Good morning/afternoon/evening. This is \_\_\_\_\_ calling from POLLARA, a national market research firm. We are conducting a survey about financial advice among Canadians 18 and over who currently have mutual funds either as part of their RRSP or outside of their RRSP. We are not trying to sell anything.

A. Do you fall into this category?

Yes – (CONTINUE)

No – May I speak to someone in your household who does?

(IF RESPONDENT FEELS (S)HE DOESN'T QUALIFY BECAUSE THEY BUY MUTUAL FUNDS 'DIRECT'/WITHOUT AN ADVISOR, SAY "Our questions also apply to those who buy mutual funds without the assistance of an advisor.")

B. Do you make all, some, or none of the decisions regarding mutual fund purchases in your household? (RECORD ONE ONLY)

All – CONTINUE

Some – CONTINUE

None – May I speak to someone who makes decisions about mutual fund purchases in your household?

C. Do you, or does any member of your household work for: (READ LIST. RECORD YES/NO FOR EACH)

A market research firm? (IF YES, THANK AND TERMINATE)

The news media? (IF YES, THANK AND TERMINATE)

A financial services organization such as a bank, mutual fund company, investment dealer, financial planner, insurance company or investment advisor? (IF YES, THANK AND TERMINATE)

1. (2013 Q1) In what year were you born?

#### I. Knowledge of and Confidence in Mutual Funds

2. (2013 Q2) Overall, using a scale from 1 to 10 where 1 means you are 'not at all knowledgeable' and 10 means you are 'very knowledgeable', how knowledgeable would you say you are about investing in mutual funds?

1 = Not At All Knowledgeable

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10 = Very Knowledgeable
- Don't Know (DO NOT READ)
- Refused (DO NOT READ)

Using a 10 point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? How about: (RANDOMIZE)

- 3. (2013 Q3) Mutual funds
  - 1 = Not At All Confident
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8
  - 9
  - 10 = Completely Confident
  - Don't Know (DO NOT READ)
  - Refused (DO NOT READ)

- 4. (2013 Q4) Bonds, including Canada Savings Bonds and Provincial Savings Bonds
  - 1 = Not At All Confident
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8
  - 9
  - 10 = Completely Confident
  - Don't Know (DO NOT READ)
  - Refused (DO NOT READ)

- 5. (2013 Q5) Stocks
  - 1 = Not At All Confident
  - 2
  - 3
  - 4

- 5
  - 6
  - 7
  - 8
  - 9
  - 10 = Completely Confident
  - Don't Know (DO NOT READ)
  - Refused (DO NOT READ)
6. (2013 Q6) GICs and other term deposits
- 1 = Not At All Confident
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8
  - 9
  - 10 = Completely Confident
  - Don't Know (DO NOT READ)
  - Refused (DO NOT READ)
7. (2013 Q7) Your primary residence
- 1 = Not At All Confident
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8
  - 9
  - 10 = Completely Confident
  - Don't Know (DO NOT READ)
  - Refused (DO NOT READ)
8. (2013 Q8) Exchange-traded funds, also known as ETFs
- 1 = Not At All Confident
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8
  - 9
  - 10 = Completely Confident
  - Don't Know (DO NOT READ)
  - Refused (DO NOT READ)

## II. Advice

9. (2013 Q9) For the next few questions I would like you to think about the last time you invested in a mutual fund. When buying those mutual funds did you:

Purchase them from someone who provided you with advice and guidance, also known as an advisor.

Purchase them online or from an individual who just took your mutual fund order.

Don't Know/Can't Recall (DO NOT READ)

Refused (DO NOT READ)

(IF PURCHASED FROM ADVISOR IN Q11) And still thinking back to the last time you invested in a mutual fund, did your advisor: (RANDOMIZE) (IF NECESSARY: By 'advisor' I mean the person you purchased the mutual fund from. Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles.)

10. (2013 Q10) Discuss how well suited that mutual fund is for reaching your investment objectives.

Yes

No

Don't Know (DO NOT READ)

Refused (DO NOT READ)

11. (2013 Q11) Make you aware of how he/she would be compensated for your purchase of that fund.

Yes

No

Don't Know (DO NOT READ)

Refused (DO NOT READ)

12. (2013 Q12) Discuss whether or not you will be charged a sales commission when you buy or sell the mutual fund – also called 'front-end load' and 'back-end load' fees.

Yes

No

Don't Know (DO NOT READ)

Refused (DO NOT READ)

13. (2013 Q13) Discuss the fee the mutual fund company receives for managing, distributing and administering the fund, also known as the Management Expense Ratio or the MER.

Yes

No

Don't Know (DO NOT READ)

Refused (DO NOT READ)

(END RANDOMIZATION)

Now I'd like you to think about how you use information about mutual funds you are considering for purchase.

14. (2013 Q14) Going forward, what methods or format – if any – would you want to receive information about a mutual fund you are considering for purchase?  
Would you want to receive it through... (RANDOMIZE GROUPS, BUT KEEP ITEMS IN EACH GROUP IN SAME ORDER, AND READ LIST)

[GROUP 1]

Hardcopy newsletter or brochure delivered in the mail

E-mail newsletter from fund company

E-mail newsletter from advisor

[GROUP 2]

Word-of-mouth from friends and family

Word-of-mouth from a financial advisor

[GROUP 3]

Fund company website

Financial advisor's website

Regulator's website

Government website

Investor education group website

Subscription investment website (e.g., Morningstar)

Some other website

[GROUP 4]

Social networking site (such as Facebook, Twitter or LinkedIn)

Online discussion forums

Financial blogs

Financial / investor news media – print, broadcast or online

[GROUP 5]

None (DO NOT READ)

Don't Know (DO NOT READ)

Refused (DO NOT READ)

15. (2013 Q15) (ASK IF PURCHASED MUTUAL FUNDS FROM ADVISOR IN Q9)  
And overall, when making decisions about mutual funds, which one of the following best describes the roles that you and your advisor play in the decision?  
(IF NECESSARY: By 'advisor' I mean the person you purchased the mutual fund from. Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles.)

You make the decision entirely on your own. (INTERVIEWER NOTE – IF DECISION MADE WITH PARTNER/FAMILY MEMBER, CHECK THIS BOX)

You ask for information from your advisor, but make the decision yourself.

You discuss the issues with your advisor and make the decision together.

You follow the advice of your advisor without question.

### III. Information Needs

16. (2013 Q17) Thinking back to the last time you invested in a mutual fund, prior to making this last investment, did you feel very comfortable, somewhat comfortable, not too comfortable, or not at all comfortable that you had the right information to make an informed decision?

Very Comfortable  
Somewhat Comfortable  
Not Too Comfortable  
Not At All Comfortable  
Don't Know (DO NOT READ)  
Refused (DO NOT READ)

### IV. Relationship with Financial Advisor

17. (2013 Q18) (IF PURCHASED FROM ADVISOR IN Q9) I would now like to ask you about your relationship with your financial advisor – meaning the advisor who you buy your mutual funds from. Using a scale from 1 to 10 where 1 means 'not at all satisfied' and 10 means 'completely satisfied', how satisfied are you with the advice provided by your financial advisor? (IF NECESSARY: Your advisor could be a bank employee, a broker, an insurance agent, a financial planner, or have a number of other titles.) (INTERVIEWERS: IF RESPONDENT HAS MORE THAN ONE ADVISOR, ASK THEM TO CONSIDER THE ADVISOR THAT THEY HAVE HAD THE MOST CONTACT WITH)

1 = Not At All Satisfied  
2  
3  
4  
5  
6  
7  
8  
9  
10 = Completely Satisfied  
Do Not Have Any Type Of Financial Advisor (DO NOT READ)  
Don't Know (DO NOT READ)  
Refused (DO NOT READ)

(IF PURCHASED FROM AN ADVISOR IN Q9) All things considered, how much would you say you agree or disagree with each of the following statements? (READ STATEMENT) Would you say you strongly agree, somewhat agree, somewhat disagree or strongly disagree? (PROGRAMMER: Rotate statements.)

18. (2013 Q20) I can trust my advisor to give me sound advice.  
19. (2013 Q21) Overall, I get a better return on my investments because of the advice of my advisor.

## V. Risk Tolerance

(IF PURCHASED FROM ADVISOR IN Q9) Has your advisor ever... (RANDOMIZE AND READ LIST)

20. (2006 Q46) Asked you to complete a questionnaire to identify your risk tolerance and overall financial objectives?
21. (2006 Q47) Had a discussion with you about the investment risk you are comfortable with?

Yes

No

(DO NOT READ) Don't know/Can't remember

22. (NEW) (IF YES AT Q20 OR Q21) When was the last time your advisor had a discussion with you about your risk tolerance? Was it... (READ LIST)

Within the past six months

Within the past year, but more than six months ago

Within the past two years, but more than a year ago

Within the past five years, but more than two years ago

More than five years ago

Never

(DO NOT READ) Don't know

(IF YES AT Q20 OR Q21) And thinking about your advisor, are you very satisfied, somewhat satisfied, not too satisfied or not at all satisfied with each of the following. How about your advisor's:

23. (2009 Q21) Original assessment of your risk tolerance when you opened your account?
24. (2009 Q22) Ongoing understanding of your risk tolerance?

Very satisfied

Somewhat satisfied

Not too satisfied

Not at all satisfied

(DO NOT READ) Don't know

25. (NEW) Which of the following phrases would you say best describes how much financial risk you are willing to take when saving or making investments? Would you say you... (ROTATE TOP-DOWN OR BOTTOM-UP SEQUENCE AND READ LIST)

Take substantial financial risks for the opportunity to earn substantial returns

Take above-average financial risks for the opportunity to earn higher returns

Take average financial risks for the opportunity to earn average returns

Take below-average financial risks for the opportunity to earn lower returns

Are not willing to take any financial risks regardless of opportunity

(DO NOT READ) Don't know

(DO NOT READ) Refused

**VI. First Use of Financial Advisor**

My next question is about when you first started using a financial advisor. This may have been your current advisor or a different advisor.

26. (2013 Q23) (IF PURCHASED MUTUAL FUNDS FROM ADVISOR IN Q9) When you first started using a financial advisor, which of the following categories best represents the total value of your household's savings and investments at that time, excluding your primary residence? Was it: (READ LIST)

- None
- Under \$5,000
- \$5,000 to less than \$10,000
- \$10,000 to less than \$25,000
- \$25,000 to less than \$50,000
- \$50,000 to less than \$75,000
- \$75,000 to less than \$100,000
- \$100,000 to less than \$150,000
- \$150,000 to less than \$200,000
- \$200,000 to less than \$300,000
- \$300,000 or more
- (DO NOT READ) Don't know
- (DO NOT READ) Refused

**VII. Mutual Fund Fees**

Now I'd like to ask you a question about any fees you pay for your mutual funds.

27. (2013 Q24) Overall, using a scale from 1 to 10 where 1 means you are 'not at all confident' and 10 means you are 'very confident', how confident are you about your knowledge of any fees you pay for your mutual funds?

- 1 = Not At All Confident
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10 = Very Confident
- Don't Know (DO NOT READ)
- Refused (DO NOT READ)

28. (2013 Q25) (IF USES ADVISOR IN QUESTION 9) As far as you know, is part of the fees charged within the mutual funds you invest in used to compensate your financial advisor? Would you say... (INTERVIEWER: READ LIST)

- Yes, definitely
- Yes, I think so
- No, I don't think so
- No, definitely not
- Don't know (DO NOT READ)
- Refused (DO NOT READ)

29. (2013 Q26) (IF USES ADVISOR IN QUESTION 9) Do you pay any fees directly to your advisor for the services you receive? (INTERVIEWER: IF 'YES' PROBE, "And do you pay fees directly to your advisor or to their managing dealer?")

- Yes, I pay a fee directly to my advisor
- Yes, I pay a fee directly to my advisor's dealer
- Yes, I pay a fee directly, but unsure to whom
- No, I do not pay a fee directly
- Don't know (DO NOT READ)
- Refused (DO NOT READ)

30. (2013 Q27) (IF USES ADVISOR IN QUESTION 9) Which of the following two statements comes closest to your own personal preference on how your advisor is paid? (RANDOMIZE AND READ LIST)

- I prefer that my advisor is paid through mutual fund fees that reduce my investment returns.
- I prefer to be charged a fee for ongoing advisory services directly by my advisor.

31. (2013 Q28) (IF USES ADVISOR IN QUESTION 9) If a direct charge fee was implemented by your advisor, how likely would you be to continue to use your advisor's services if the fee was higher than the current fee embedded in your mutual fund? Would you be... (READ LIST)

- Absolutely certain
- Very likely
- Somewhat likely
- Not too likely
- Not at all likely
- Don't know (DO NOT READ)
- Refused (DO NOT READ)

### **VIII. Dealing with Problems**

I would now like to ask you a question about the options available to you, should you experience any problems with your mutual fund investments.

32. (2006 Q53 modified) If you were to experience a problem with your mutual fund investments in the future, other than normal market fluctuations, what steps would you take to resolve the issue? (DO NOT READ OR PROBE WITH LIST.)

RECORD FIRST MENTION, THEN PROBE FOR ADDITIONAL MENTIONS:  
“And if it wasn’t resolved after that, what would you do next?”)

Speak To Advisor (INTERVIEWER – DO NOT ALLOW THIS RESPONSE –  
PROMPT ‘What would you do next?’)  
Speak To Advisor’s Superiors  
Move Investments To Another Advisor  
Contact The Mutual Fund Company  
Contact The Better Business Bureau  
Contact The Investment Industry Regulatory Organization of Canada (IIROC)  
Contact The Canadian Securities Administrators (CSA)  
Contact Your Provincial Securities Commission  
Contact The Investment Funds Institute Of Canada (IFIC)  
Contact The Mutual Fund Dealers Association (MFDA)  
Contact The Ombudsman For Banking Services And Investments  
Contact A Regulatory Body (general)  
Other (SPECIFY)  
Nothing (SKIP TO Q55)  
Don’t Know (DO NOT READ)  
Refused (DO NOT READ)

## **IX. Demographics**

Finally, I have just a few questions to help us categorize the responses you have given. All of the information you provide will be kept strictly confidential and will be used for research purposes only.

33. (2013 Q32) How long have you been investing in mutual funds?  
(INTERVIEWERS: If respondent is unsure, ask for best estimate. If range provided, record mid-point of range.) (PROGRAMMER: Accept answers in years, but include option for less than one year, include separate “don’t know” and “refused” response options.)

34. (2013 Q33) What is the highest level of education that you have completed?

Elementary School  
Secondary School  
Community College  
Some University  
Completed University

In addition to investing in mutual funds, do you currently invest in any of the following, either as part of your RRSP or outside of your RRSP: (RANDOMIZE)

35. (2013 Q34) Bonds, including Canada and Provincial Savings Bonds  
36. (2013 Q35) Stocks  
37. (2013 Q36) GICs and other term deposits  
38. (2013 Q37) Exchange-traded funds, also known as ETFs

39. (2013 Q38) Do you own your primary residence?
40. (2013 Q39) Which of the following best describes your current employment status? Are you: (READ LIST. RECORD ONE ONLY)
- Self-employed
  - Working full-time for pay
  - Working part-time for pay
  - Student
  - Not currently employed
  - Retired (full-time) (INTERVIEWER: IF RETIRED PART-TIME, RECORD WHAT THEY DO FOR THE OTHER PART OF THEIR TIME)
  - Homemaker
  - Disabled
  - Parental/Maternity leave
  - Other
  - Refused (DO NOT READ)
41. (2013 Q40) Which of the following income groups would best represent your annual household income?
- Less Than \$25,000
  - \$25,000 To Less Than 50,000
  - \$50,000 To Less Than \$75,000
  - \$75,000 To Less Than \$100,000
  - \$100,000 Or More
42. (2013 Q41) Which of the following broad ranges would represent the total value of your household's current investments in mutual funds?
- Under \$10,000
  - \$10,000 To Less Than \$25,000
  - \$25,000 To Less Than \$50,000
  - \$50,000 To Less Than \$75,000
  - \$75,000 To Less Than \$100,000
  - \$100,000 Or More
43. (2013 Q42) Which of the following broad ranges would represent the total value of all of your household's current investments, excluding your primary residence?
- Under \$10,000
  - \$10,000 To Less Than \$25,000
  - \$25,000 To Less Than \$50,000
  - \$50,000 To Less Than \$75,000
  - \$75,000 To Less Than \$100,000
  - \$100,000 To Less than \$150,000
  - \$150,000 To Less than \$200,000
  - \$200,000 To Less than \$300,000
  - \$300,000 Or More

*That concludes the interview. Thank you very much for your time.*

44. (2013 Q43) Gender (INTERVIEWER-RECORDED)

Male  
Female

45. (2013 Q44) Region (INTERVIEWER-RECORDED)

46. (2013 Q45) Language (SYSTEM-RECORDED)

English  
French

47. (2013 Q46) Community size (SYSTEM-RECORDED FROM POSTAL CODE)

Over 1,000,000  
101,000-1,000,000  
50,001-100,000  
10,001-50,000  
Under 10,000  
Rural

48. (2013 Q47) Community (SYSTEM-RECORDED FROM POSTAL CODE)

Urban  
Rural  
Don't Know/Refused