

IFIC

THE INVESTMENT
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Canadian Mutual Fund & Exchange-Traded Fund Investors Survey

2023

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strategic insights

Research Objectives and Methodology

Research Methodology

- This research was conducted with Canadian investors who are 18 years of age or older and make all or some of the decisions regarding the investments in their household.
- From 2006 until 2020, the research was completed by telephone. Due to increased difficulty in obtaining samples in this manner, new methodological options were considered. In 2021, we conducted a hybrid methodology of telephone and online (web) surveys, with analysis conducted to understand the difference in results between these methodologies. For the past two years, the study has been conducted using only online/web.
- To allow for tracking analysis, we are showing results of this year's study compared to that of the 2022 and 2021 online study. Where 2021 analysis showed methodology had little impact on results, tracking to past telephone surveys will also be shown.
- In total, 4,121 surveys were conducted with Mutual Fund investors and 1,514 surveys with ETF investors.
- All interviews were conducted between June 16 and June 21, 2023.
- National results have been weighted based on 2019 PMB data* to ensure they are representative of Mutual Fund/ETF holders by region and gender. Interviews were conducted in either English or French, depending on the respondent's language preference.

**Print Measurement Bureau data – annual survey of 36,000 Canadians which measures use of goods and services.*

Results in Detail

Attitudes Toward Investment Products and Strategies

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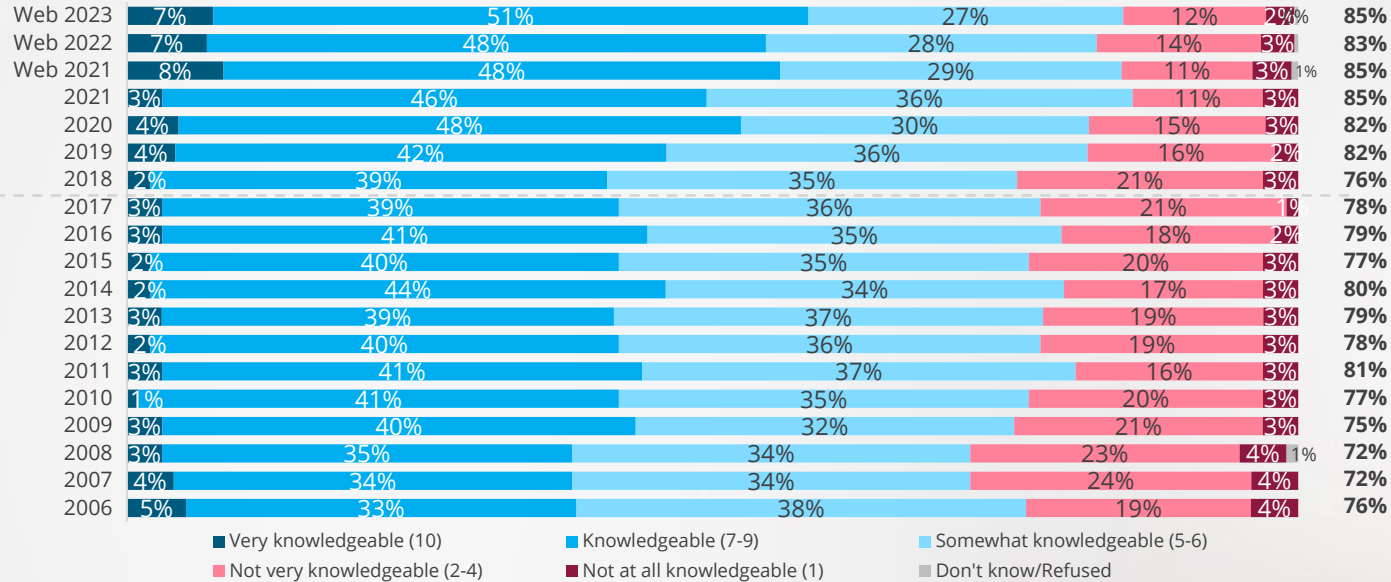
Knowledge about Investing in Mutual Fund

Knowledge about Mutual Fund among Mutual Fund investors has increased since last year.

6



Mutual
Fund
Investors



Total % Knowledgeable (5-10)

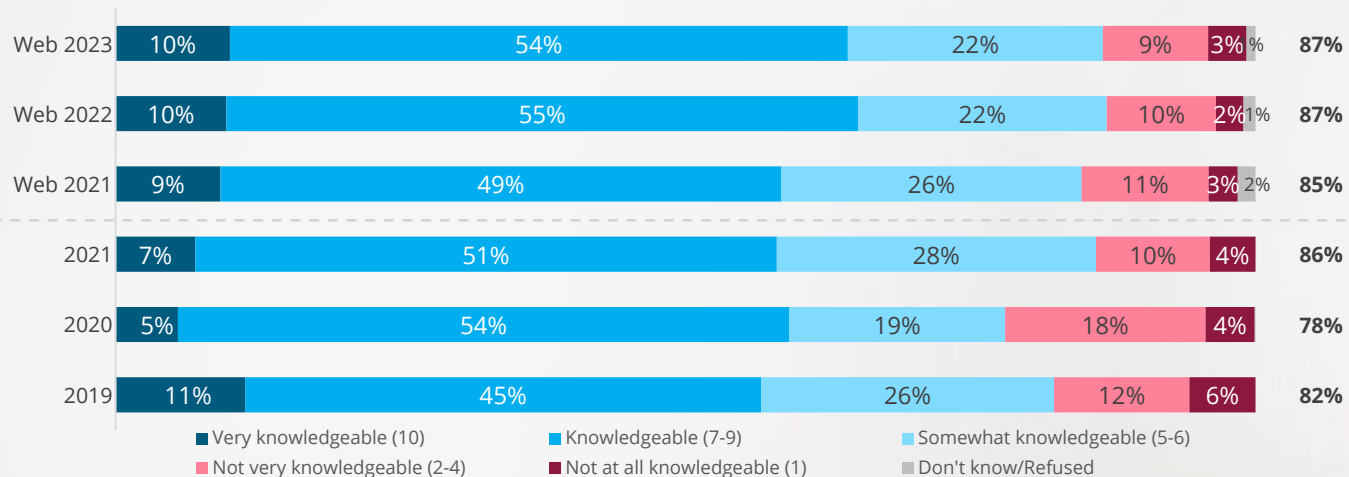


Q1. Overall, using a scale from 1 to 10 where 1 means you are 'not at all knowledgeable' and 10 means you are 'very knowledgeable', how knowledgeable would you say you are about investing in Mutual Fund? Base: Web 2023 MF N=4121

Knowledge About Investing in ETFs

Knowledge about ETFs is consistent with last year and similar to knowledge about Mutual Funds.

7

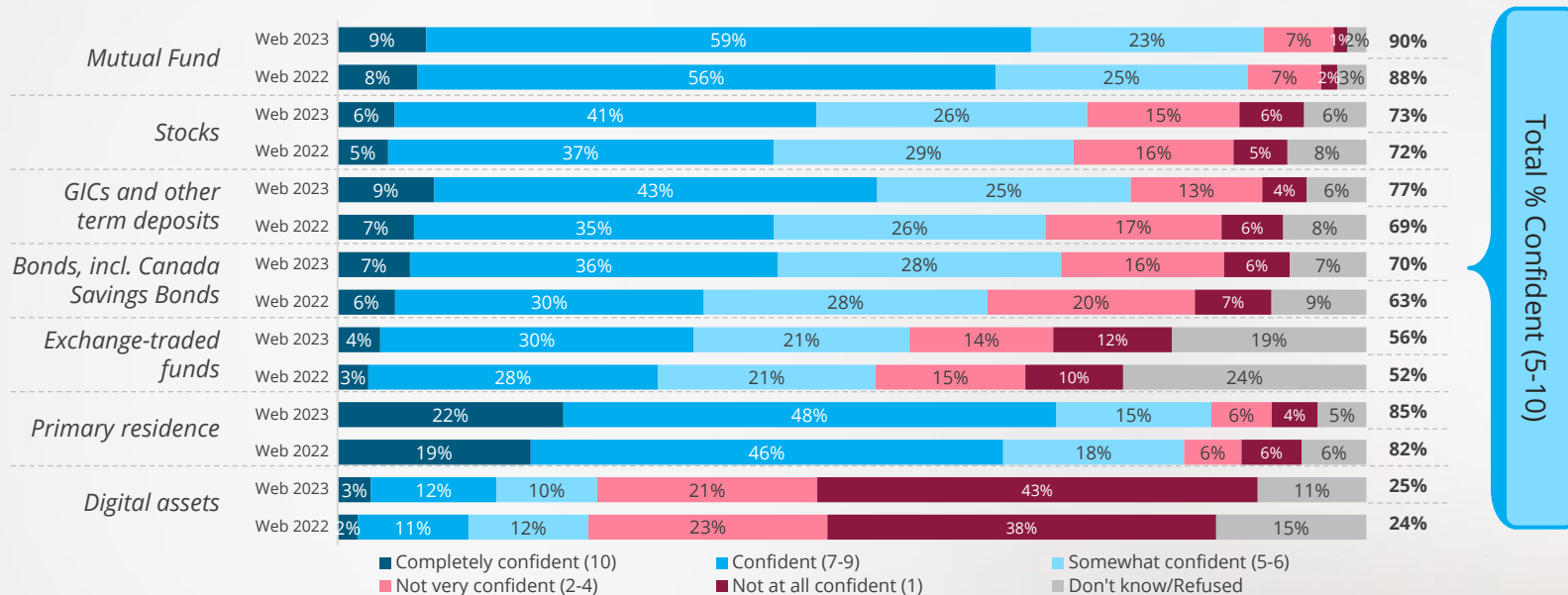


Q1B. Using a 10 point scale, where 1 means 'not at all knowledgeable' and 10 means 'very knowledgeable'; how knowledgeable would you say you are about investing in each of the following products? Base: Web 2023 ETF N=1514

Confidence That Investments Will Meet Financial Goals

Confidence in investment products has increased after a decline in 2022.

8



Q2A-G. 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? Base: Web 2023 MF N=4121

Confidence that Investments will meet Financial Goals

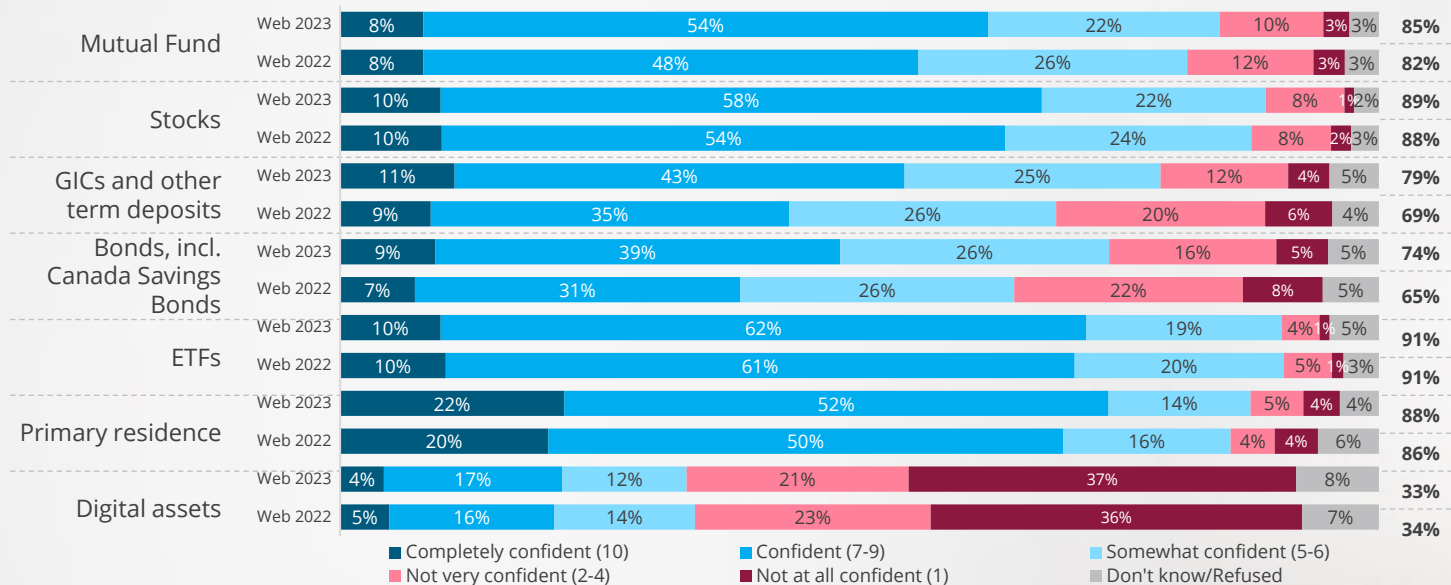
ETF investors remain very confident in ETFs, while confidence in other products has increased.

9



ETF
Investors

Total % Confident (5-10)



Q2A-G. 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? Base: Web 2023 ETF N=1514

Investment Portfolios and Purchases

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Ownership of Investments in Canadian Population

11

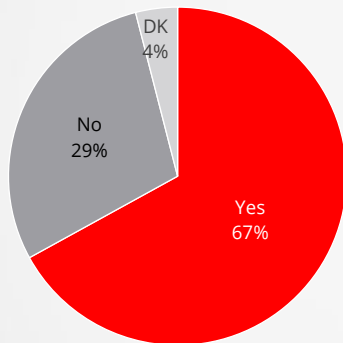
Two-thirds of Canadians have some kind of investments.



All Canadians

- Of all Canadians, two-thirds say they hold some kind of investments, either within or outside their RRSP.
- Among those who do, Mutual Funds are more common (64%) followed by stocks (49%). 24% of Canadian investors have ETFs and 14% have purchased cryptocurrency.
- In total, 72% of Canadian investors hold Mutual Funds or ETFs, with 48% holding Mutual Funds only, 8% holding ETFs only and 16% having both Mutual Funds and ETFs.

Hold investments



Type of investments



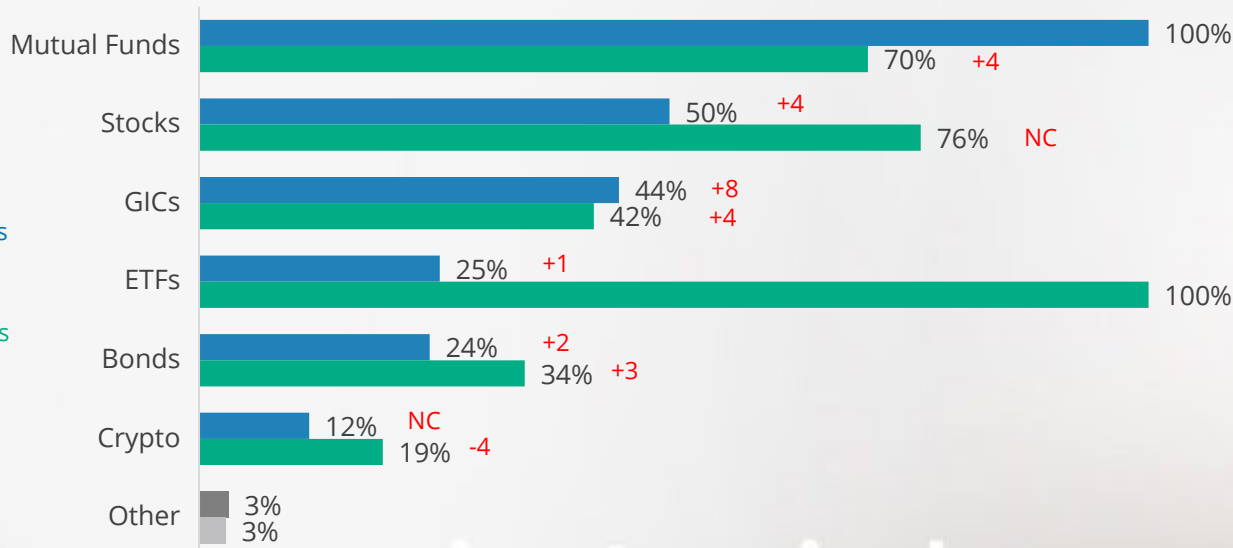
QA. Do you currently hold any investments, either as part of your RRSP or outside your RRSP? Base: Total answering before any survey terminations: n=15, 856

QG. What types of investments do you have? Please consider all that are either part of your RRSP or outside of your RRSP. Base: Those who have investments – total answering before MF/ETF termination n=8,532

Investment Portfolios

While ETF investors continue to have a more diverse portfolio, diversification has increased for both investor types.

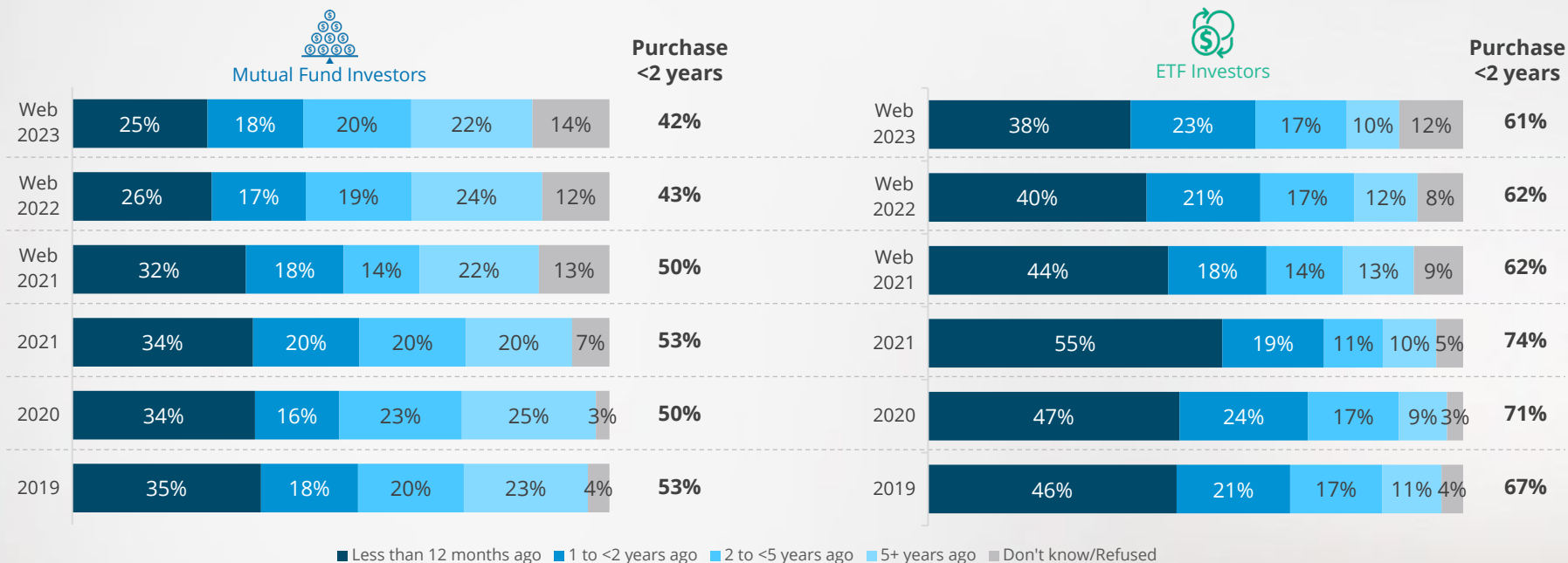
12



Most Recent New Fund Purchase

Recent purchases of Mutual Funds and ETFs have remained consistent since last year.

13



Q14. When was the last time you purchased a Mutual Fund /ETF that you did not already own, either as part of your RRSP or outside of your RRSP?

Base: Web 2023 MF N=4121, Web 2023 ETF N=1514

Sources of Information about Investing

Sources of Financial Information

Many sources of investing information are used, besides financial advisors, particularly for ETF investors

15

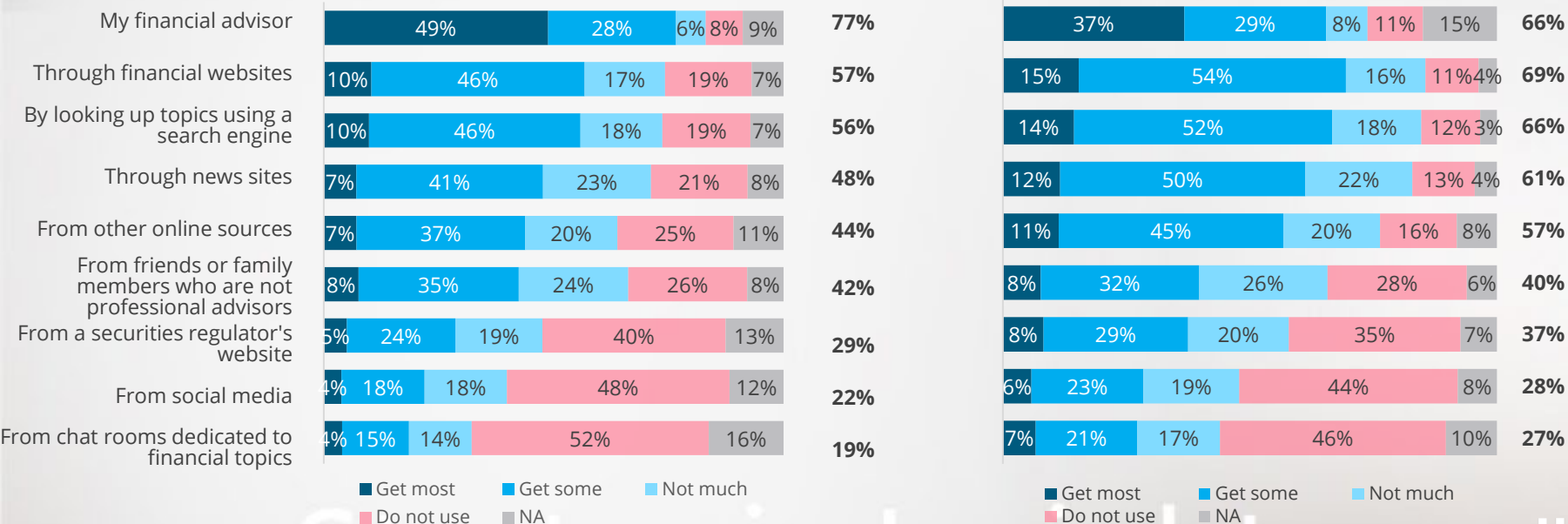


Mutual Fund Investors

Use as Source of Information



ETF Investors



Q3. To what extent do you use each of the following as sources of information about investments or investing? Base: Web 2023 MF N=3819

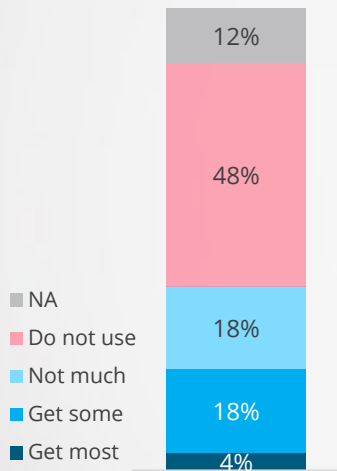
Use of Social Media

Of those who get some information about investing from social media, few are sure their sources are financial professionals.

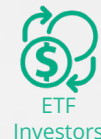
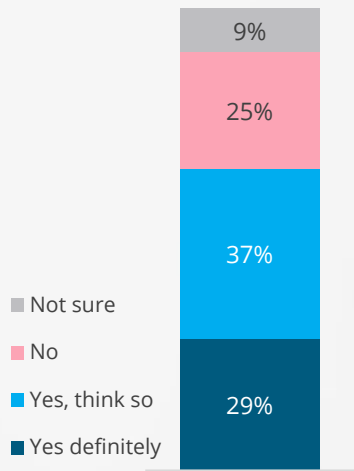
16



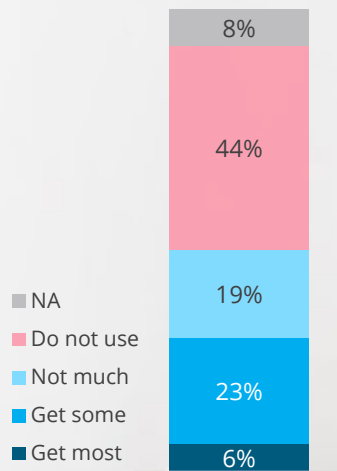
Info from social media



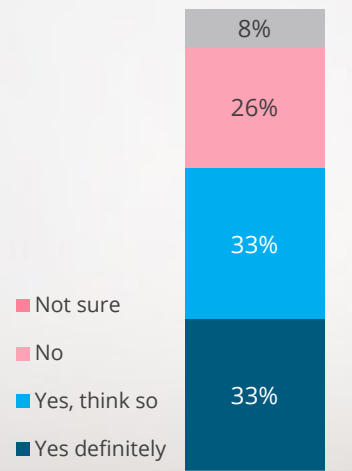
Are they financial professionals?



Info from social media



Are they financial professionals?



Q3. To what extent do you use each of the following as sources of information about investments or investing? Base: Web 2023 MF N=3819

Q4. Are the people you get information from on social media professional financial advisors? Base: Web 2023 MF N=827

Q5. What social media channels do you use to get information about investing? Please select all that apply. Base: Web 2023 MF N=827

Information for Self-Directed Investing

ETF investors are more likely to have invested on their own, investing in crypto is less common. Financial websites are the most used source of information for these investments

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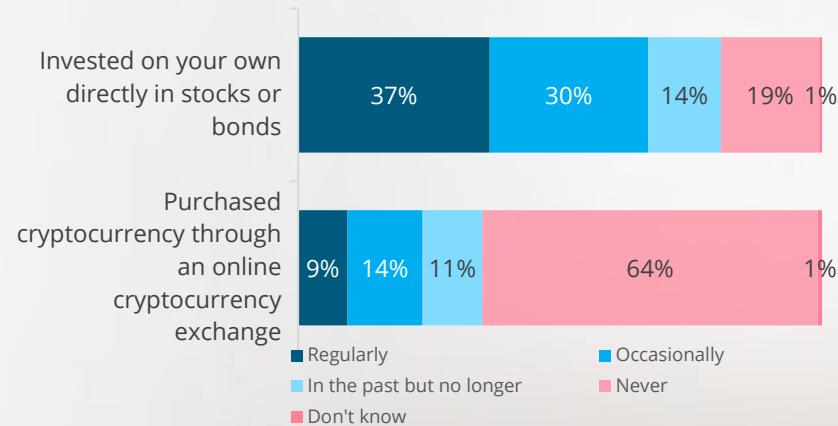
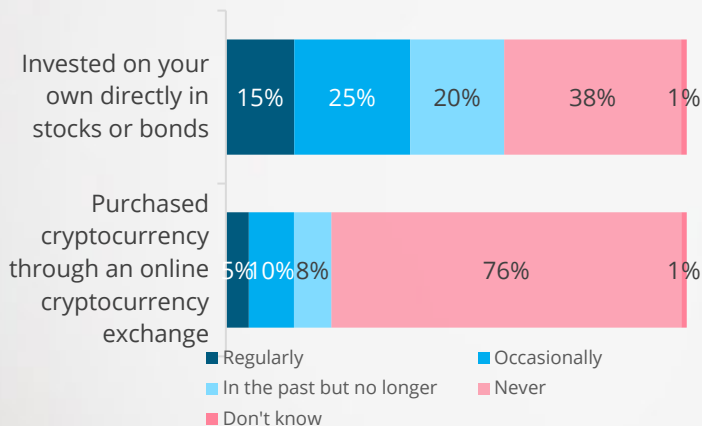


Mutual
Fund
Investors

Have done the following?



ETF
Investors



Q6. Have you ever done the following? Base: Web 2023 MF N=4121

Q7. Thinking of when you conducted these financial transactions, where did you get the information for them? Base: Web 2023 MF (Not Never/DK at Q6) N=2496

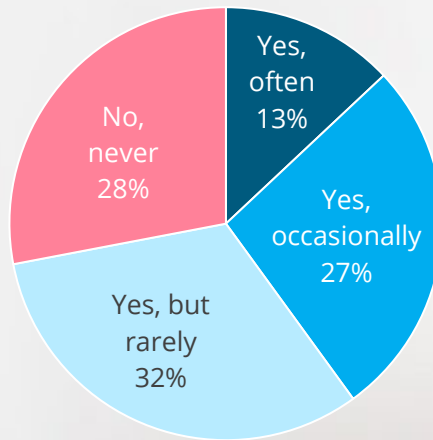
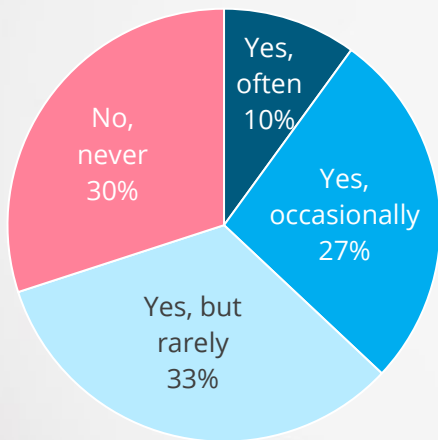
Reliance on Non-Professionals for Financial Advice

18

Most of those who purchase their own investments have done so without professional advice.



Advised by non-professional financial advisor?



Q8. Have you ever done one of these financial transactions on the advice of someone who was not a professional advisor? Base: Web 2023 MF (Not Never/DK at Q6) N=2496

Q9. Why do you rely on sources other than a financial advisor to get information about investing? Base: Web 2023 MF N=4121

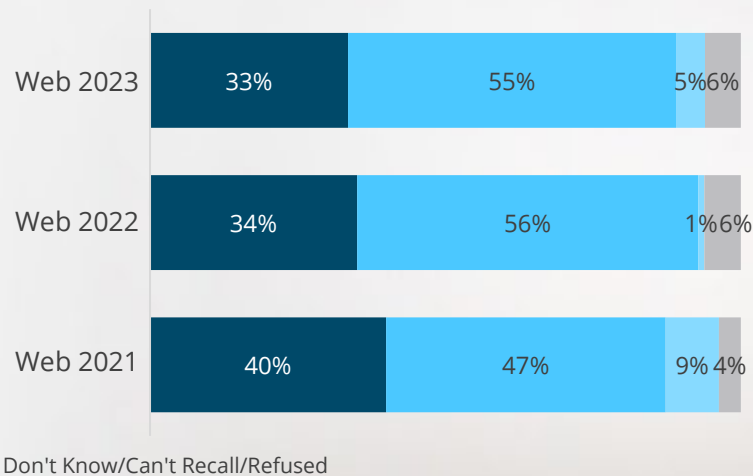
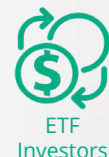
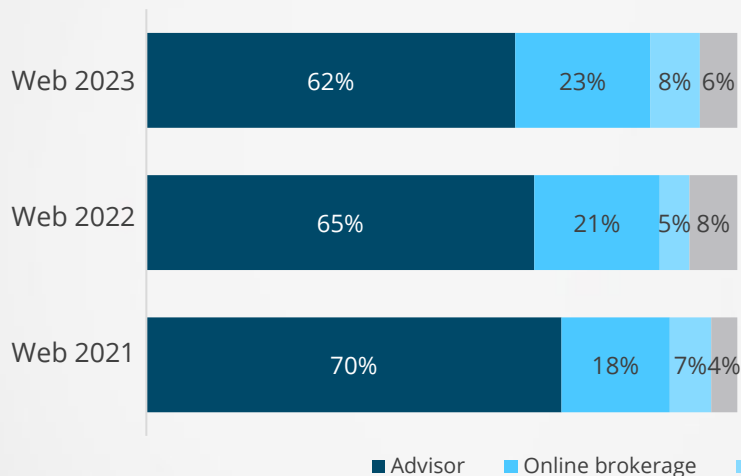
Assessments of Investment Advisor

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Method of Most Recent Fund Purchase

Use of advisors has declined both among Mutual Fund and ETF investors.

20



Q15. For the next few questions, I would like you to think about the last time you purchased each of the following investments. The last time you purchased this investment, did you purchase it from an advisor (that is someone who provided you with advice and guidance), through an online brokerage or direct investing or in another way. Base: Web 2023 MF N=4121; Web 2023 ETF N=1514

Likelihood of Purchasing without an Advisor

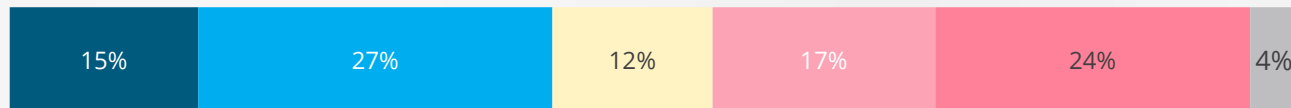
ETF investors are likely to make a purchase on their own, while Mutual Fund investors are split.

21

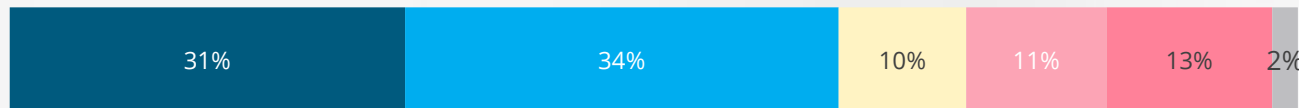
Likelihood to purchase investments online,
without the help of an advisor (in the next year)



Mutual
Fund
Investors



ETF
Investors



■ Likely (10) ■ Somewhat Likely (9-7) ■ Neither (6-5) ■ Somewhat Unlikely (4-2) ■ Unlikely (1) ■ Don't Know

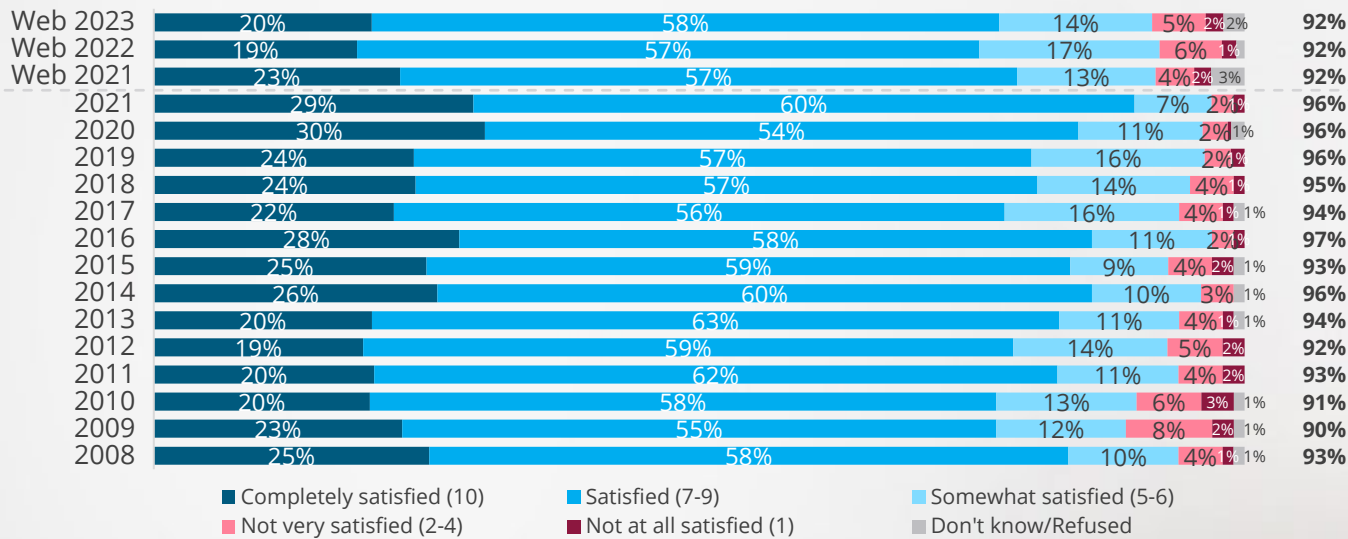


Q18. Using a 10-point scale, where 1 means 'not at all likely' and 10 means 'very likely', how likely would you be to purchase your investments online yourself, without the help of an advisor, in the next year? Base: All Respondents Web 2023 MF N=4121, Web 2023 ETFs N=1514

Satisfaction with Financial Advisor

Mutual fund investors using an advisor remain satisfied.

22



Total % Satisfaction (5-10)



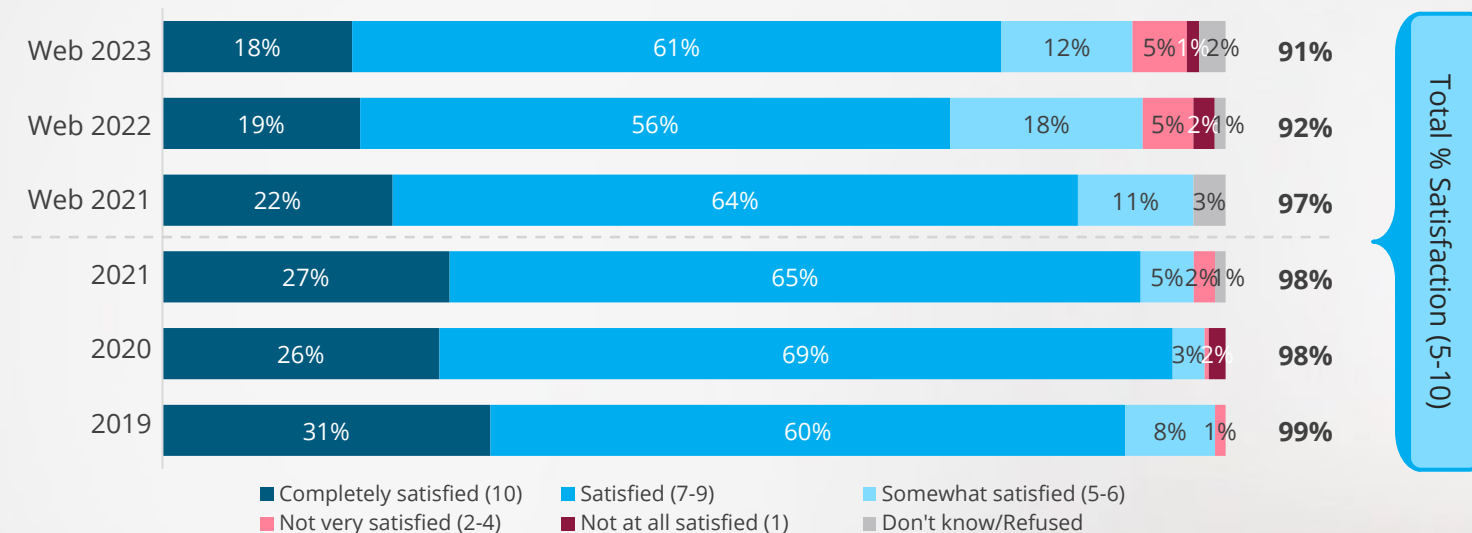
Q20. I would now like to ask you about your relationship with the advisor who you buy your Mutual Fund from. How satisfied are you with the advice provided by your financial advisor? Base: Purchased Mutual Fund from advisor: Web 2023 MF N=3299

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Satisfaction with Financial Advisor

23

While still high, satisfaction among ETF investors has not rebounded after last year's decline.



Value of Financial Advisor

Results continue to increase gradually, after a decline in 2021, but are not quite back to 2020 levels.

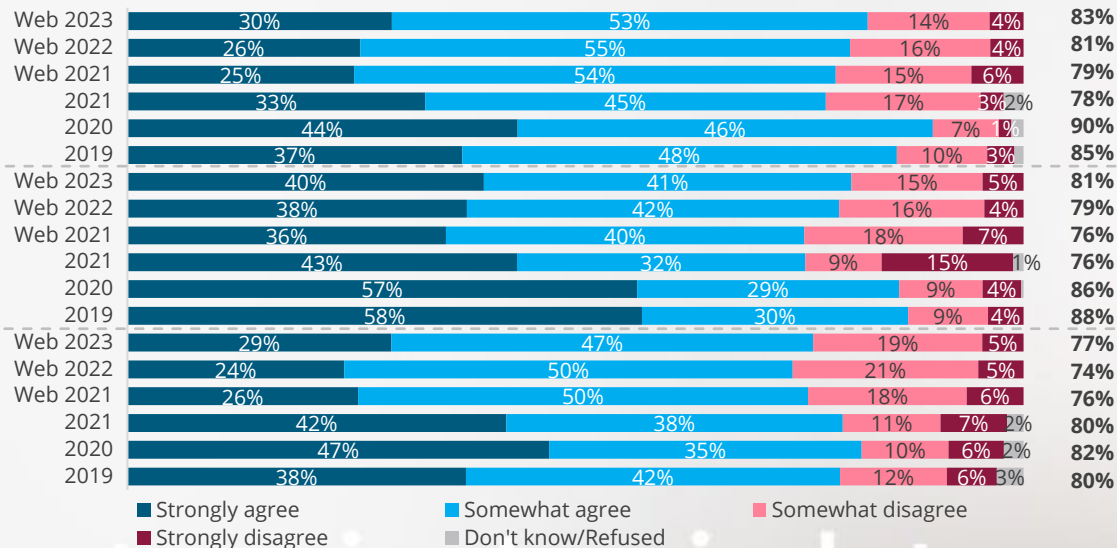
24



Advice provided by my financial advisor is worth the fees

I would not want to handle my investment on my own

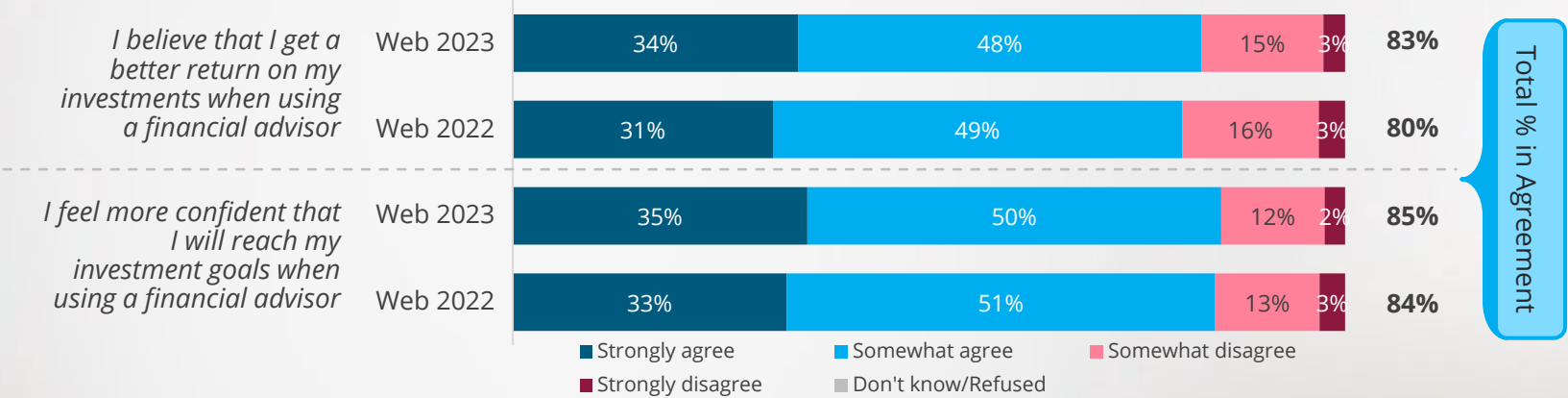
Because of my advisor, I have better saving and investment habits



Total % in Agreement

Value of Financial Advisor

The confidence in investment outcomes when using an advisor is high and has increased slightly since last year.



Value of Financial Advisor

26

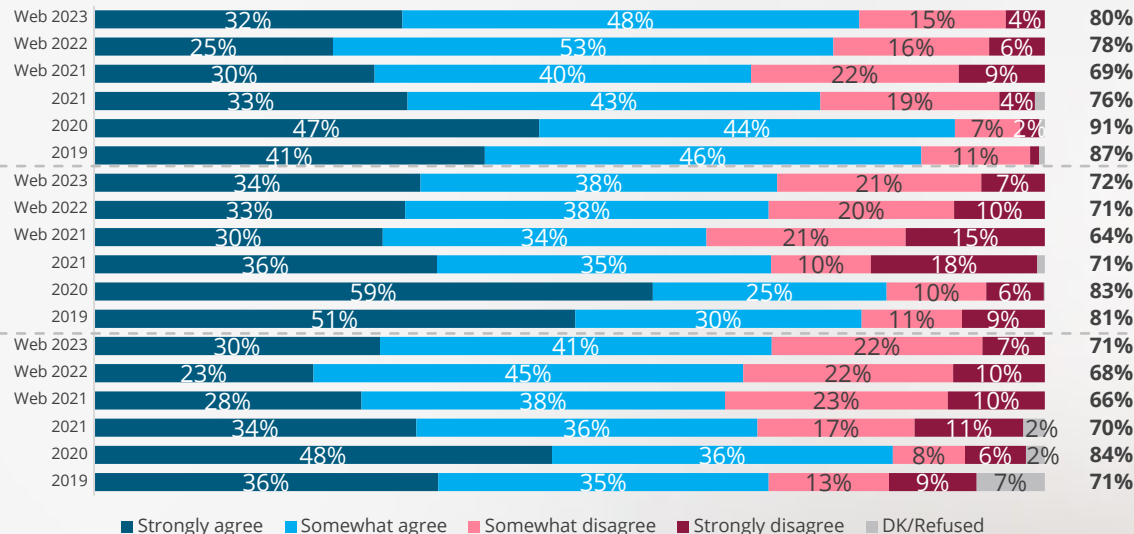
ETF investors do not feel quite as positive about the value of advice as Mutual Fund investors, but their positive feelings have continued their upward trend.



Advice provided by my financial advisor is worth the fees

I would not want to handle my investment on my own

Because of my advisor, I have better saving and investment habits



Total % in Agreement

Value of Financial Advisor

27

ETF investors feel less confident about their financial advisors than Mutual Fund investors when it comes to advisors helping them with their success



I believe that I get a better return on my investments when using a financial advisor

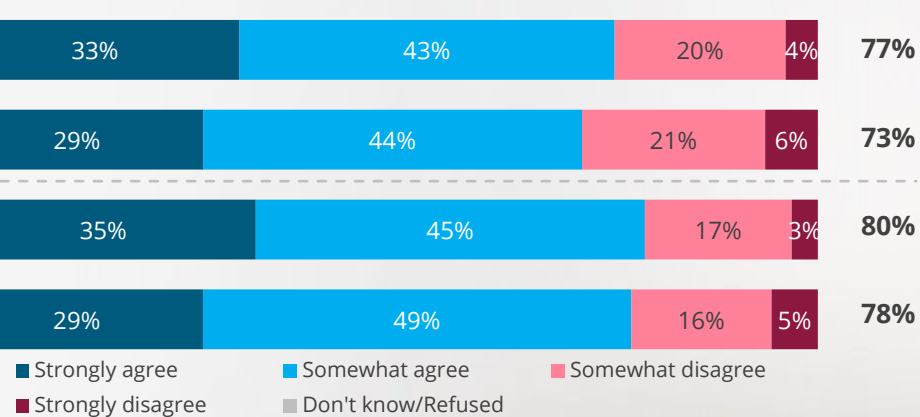
Web 2023

Web 2022

I feel more confident that I will reach my investment goals when using a financial advisor

Web 2023

Web 2022



Total % in Agreement



Q21D/21E. To what extent do you agree or disagree with the following statements about financial advisors?
Base: Purchased Mutual Fund from advisor: Web 2023 ETFs N=1004

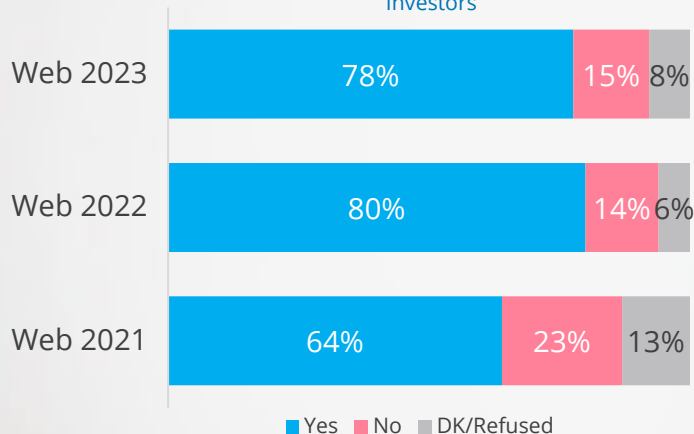
Whether Advisors Discussed Suitability

28

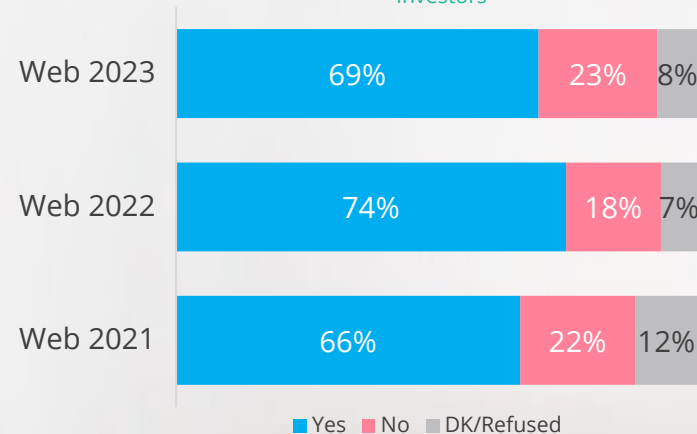
After seeing a significant increase in 2022, the likelihood of discussing investment suitability has slightly decreased this year.



Mutual
Fund
Investors



ETF
Investors



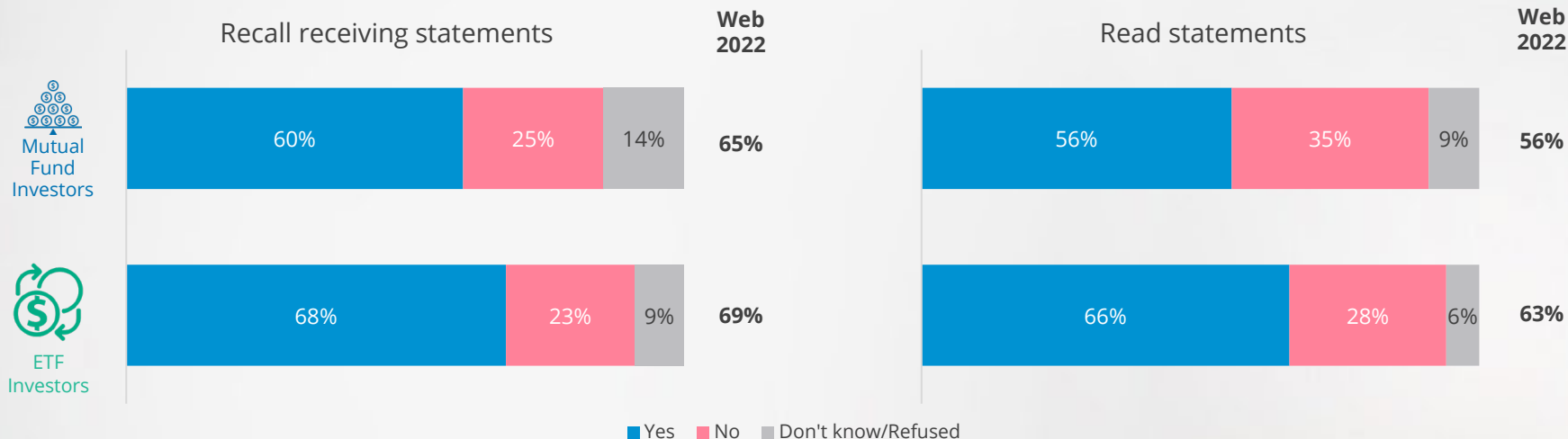
Q19. Thinking back to the last time you invested in Mutual Fund, did your advisor: Discuss how well suited that Mutual Fund is for reaching your investment objectives?
Base: Purchased Mutual Fund from advisor Web 2023 MF N=3299

Information Requirements and Investment Statements

Fee and Performance (CRM2) Statement

Recall of their annual fee and performance (CRM2) statement has decreased among Mutual Fund investors, with the likelihood of reading remaining consistent.

30

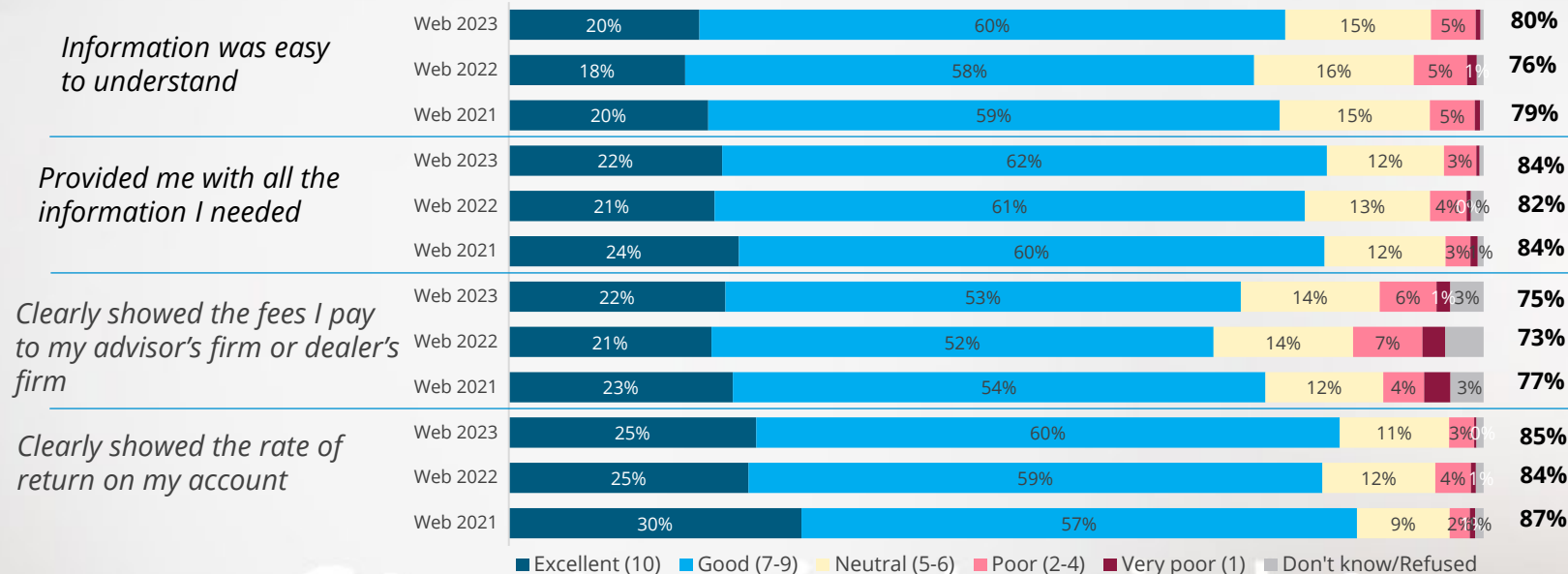


Rating of Annual Fee and Performance Statement

31



Satisfaction with the information on the statements increased slightly since 2022. Satisfaction with the statement clearly showing fees paid has increased by 22% since 2018.



Total % Good/Excellent (7-10)

■ Excellent (10) ■ Good (7-9) ■ Neutral (5-6) ■ Poor (2-4) ■ Very poor (1) ■ Don't know/Refused



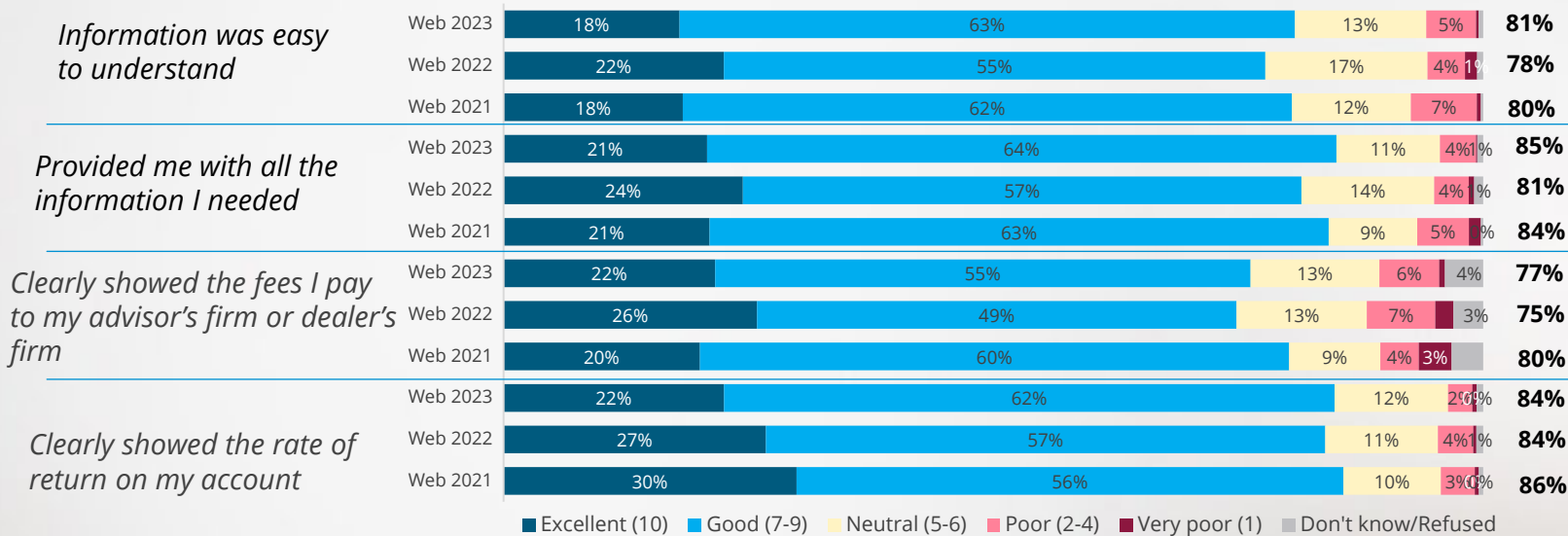
Q27. Please rate the quality of the information you received in your annual fees and performance statement(s) about your investments in each of the following areas.
Base: Web 2023 MF N=2279

Rating of Annual Fee and Performance Statement

32



Satisfaction with information on statement has increased since 2022. Satisfaction with the statement clearly showing fees paid has increased by 22% since 2019.



Total % Good/Excellent (7-10)

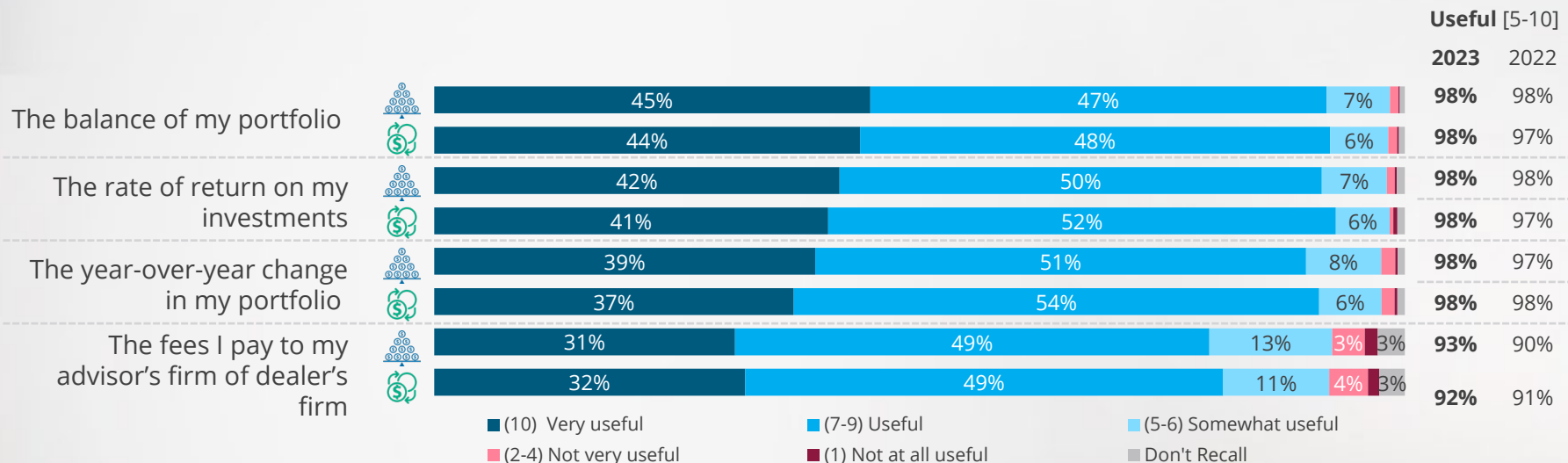


Q27. Please rate the quality of the information you received in your annual fees and performance statement(s) about your investments in each of the following areas.
Base: those who recall receiving their annual statement for ETF account this year Base: Web 2023 ETFs N=959

Usefulness of Statement Features

Portfolio balances, rate of returns and year-over-year changes are more useful features of statements than fees paid.

33



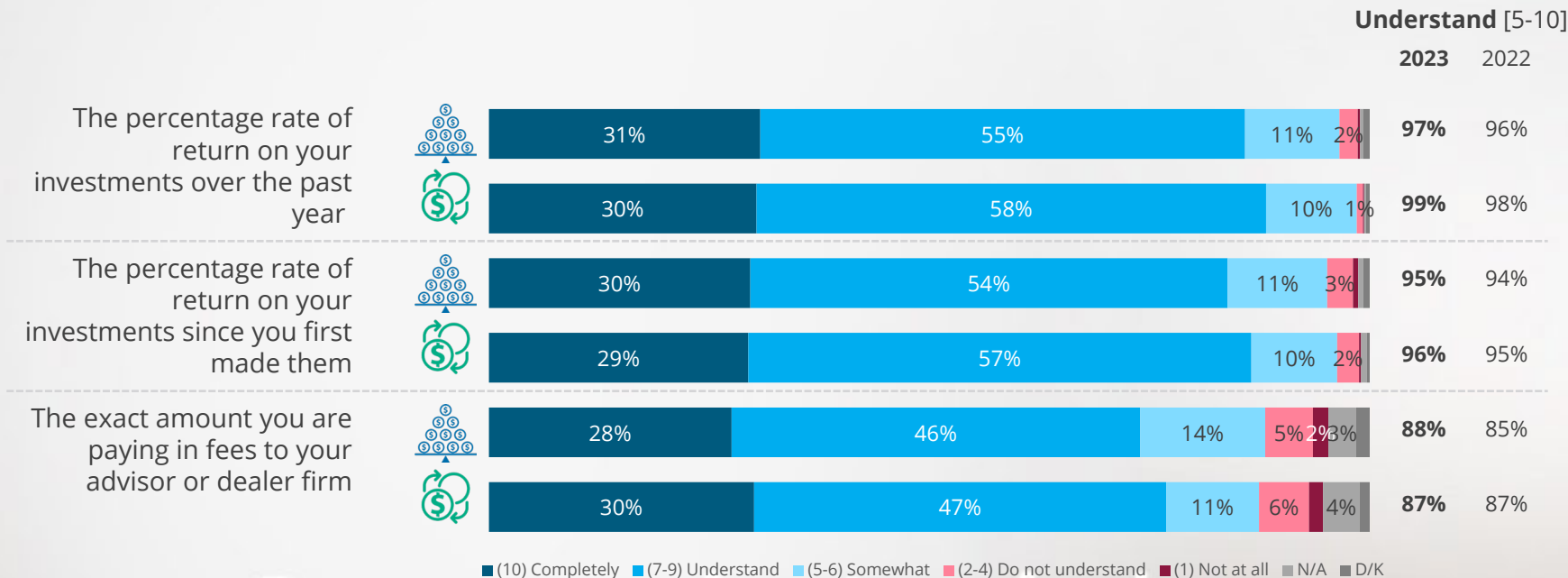
Q28. When reviewing your annual statement, how important do you find each of the following pieces of information?

Base: Read Statements: Web 2023 MF N=2279; Web 2023 ETF N=959

Comprehension of Information

34

While investors have some understanding, fewer completely understand their statements.

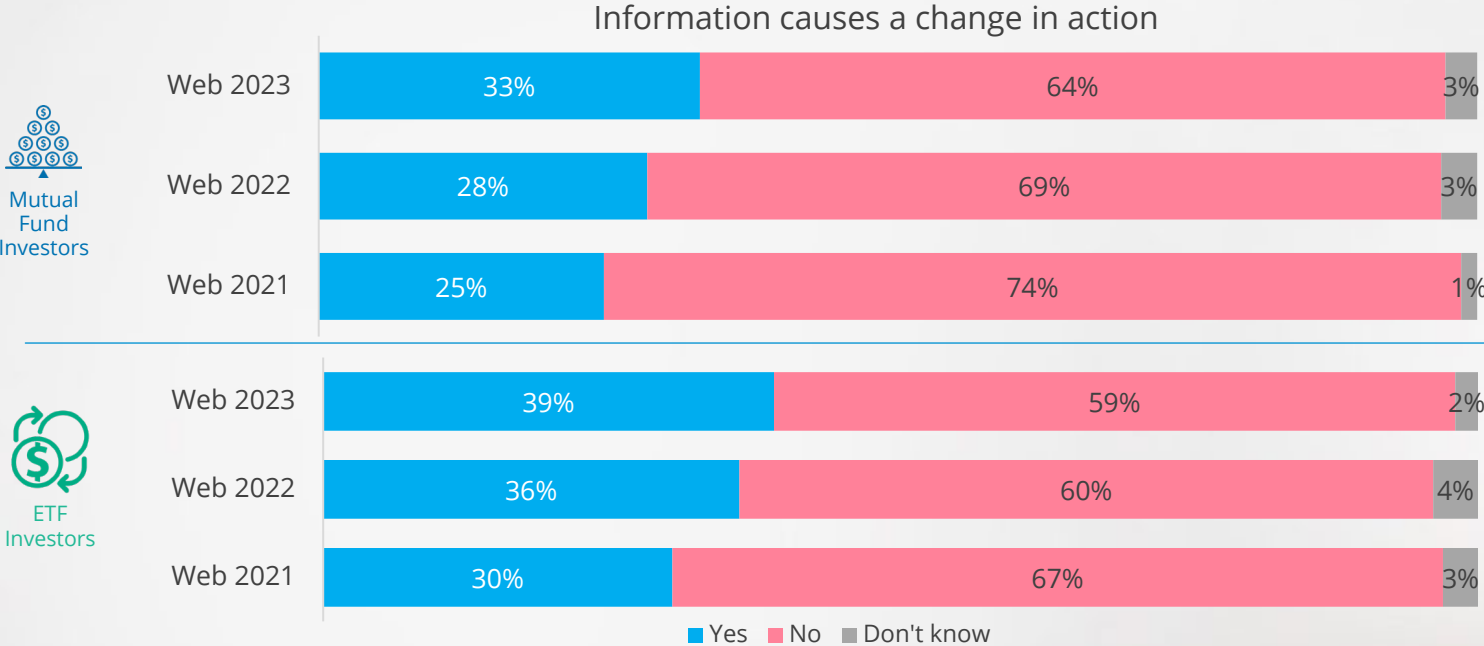


Q29. Based on the information contained in your statement, to what extent do you understand each of the following?

Base: Read Statements: Web 2023 MF: N=2266; Web 2023 ETF N=959

Action Taken Due to Statements

Likelihood of taking action due to the statement has increased again to an all-time high, with ETF investors more likely to do so than Mutual Funds investors.

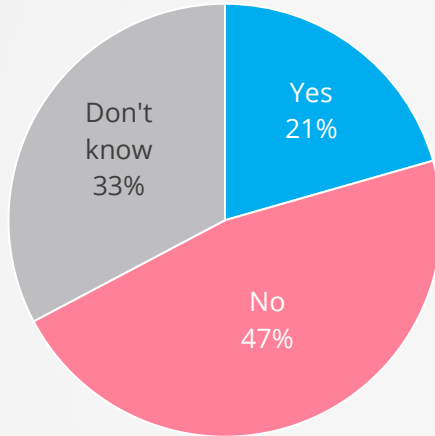


Awareness of Fees Not Included in Statements

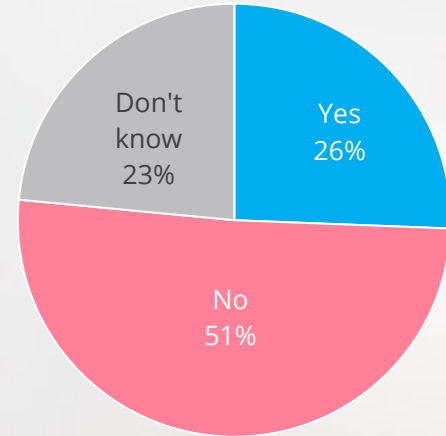
A minority of investors believe there are fees that are not included.

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Pay fees not shown in annual fee and performance statements



ETF
Investors



Q31. To the best of your knowledge, are there fees that you pay related to your investments that are not shown in your annual fee and performance statements? Base: Web 2023 MF N=4121

Q32. To the best of your knowledge, which, if any, of the following fees are included in your annual fee and performance statement? Please select all that apply. Base: Web 2023 MF N=4121

Preferred Format for Investment Statements

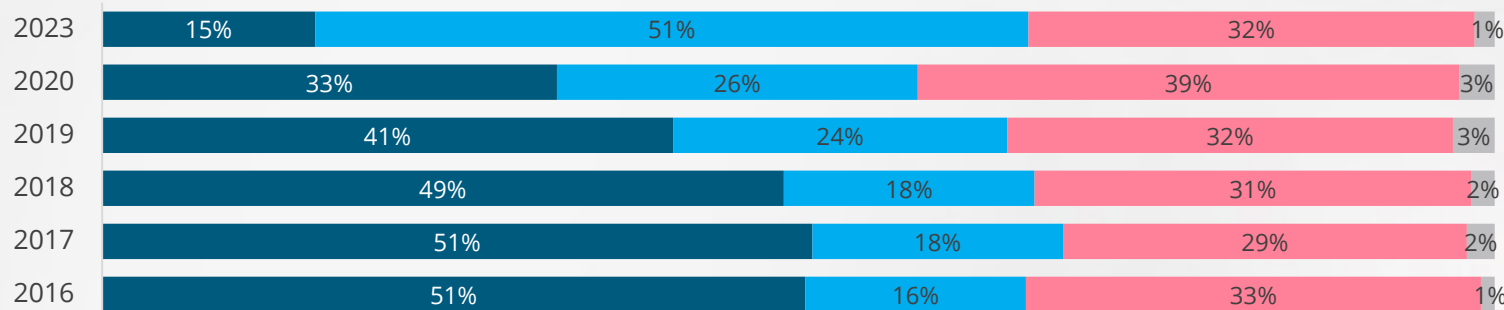
Form Account Statements Received

38

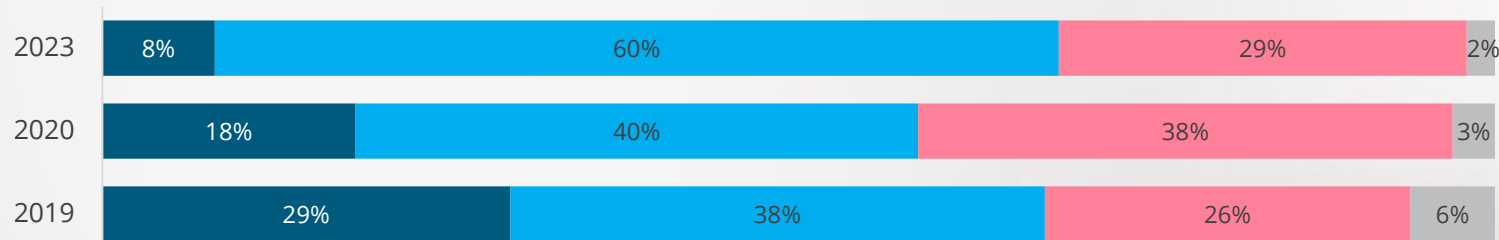
There has been a significant decline in the use of paper statements since 2020, with ETF investors even less likely to receive paper.



Mutual
Fund
Investors



ETF
Investors



■ Paper statements ■ Electronic statements ■ Both paper and electronic statements ■ Do not receive statements



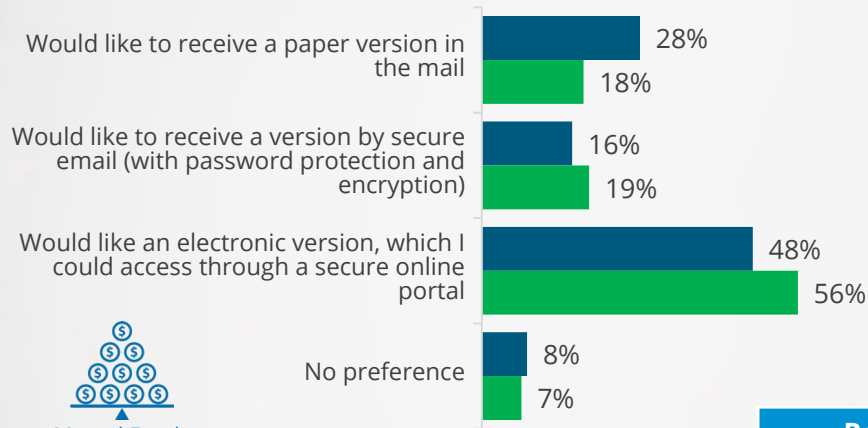
Q24. In what form do you receive statements regarding your Mutual Fund accounts? Base: Mutual Fund N=4121

Preferred Method for Statements and Fund Facts

39

Most would prefer to receive all information in an electronic format.

How like to receive statements about account

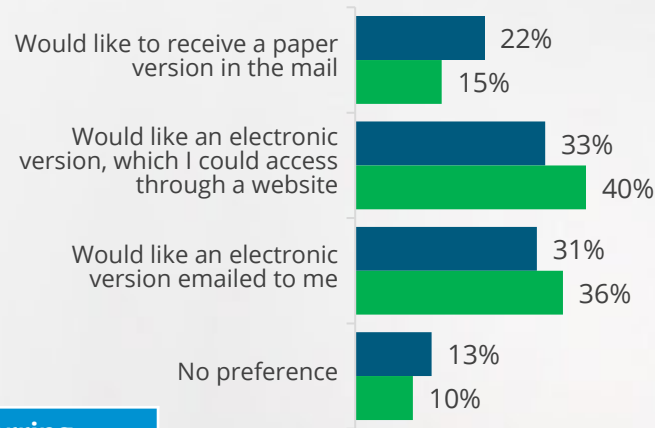


Mutual Fund
Investors



ETF
Investors

How would like to receive Fund Facts or ETF Facts



Reason for preferring electronic

Reduce paper

Electronic easier to file

Reduce clutter

Q33. How would you like to receive your statements about your specific account? Please choose only one. Base: Web 2023 MF N=4121

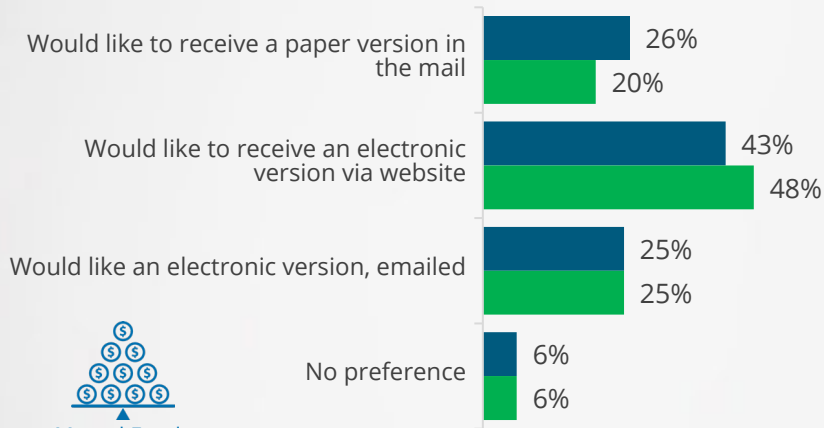
Q35. How would you like to receive Fund Facts or ETF Facts - which provides information about the Mutual Fund/ETFs you are purchasing and does not contain any of your personal account information. Base: Web 2023 MF N=4121

Preferred Method for Financial Statements and MRFPs

40

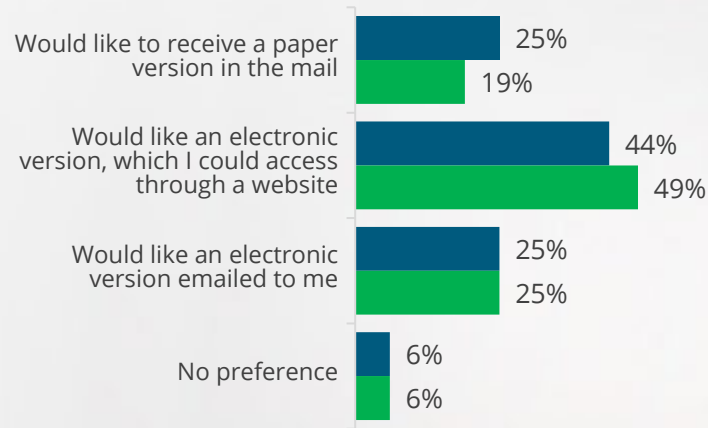
Most would prefer to receive all information in an electronic format.

How like to receive Financial Statements*



Mutual Fund
Investors

How would like to receive MRFPs*



ETF
Investors

* Among those interested in receiving the information

Strategic Insights

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Impact of Environmental Claim on Statement Preference


Most investors would be willing to receive information electronically, after hearing environmental claim

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Each year, the Canadian investment industry mails out approximately 900 tonnes of paper to investors to meet its regulatory requirements (annual statements, etc.). These documents can also be accessed online. You mentioned that you would prefer a paper version of some of your investment statements or information. Given the above information, would you change your preference?


Mutual
Fund
Investors






ETF
Investors



■ Yes, I would like to receive electronic versions

Total number of investors willing to receive information electronically

		
Personal Statements	82%	89%
Fund/ETF Facts	86%	93%
Financial Statements*	83%	89%
MFRP*	83%	90%

* Among those interested in receiving this information

Q39. Each year, the Canadian investment industry mails out approximately 900 tonnes of paper to investors to meet its regulatory requirements (e.g. annual statements, etc.). These documents can also be accessed online. You mentioned that you would prefer a paper version of some of your investment statements or information. Given the above information, would you change your preference? Base: Prefer a paper copy - Web 2023 MF N=1500; Web 2023 ETF N=453

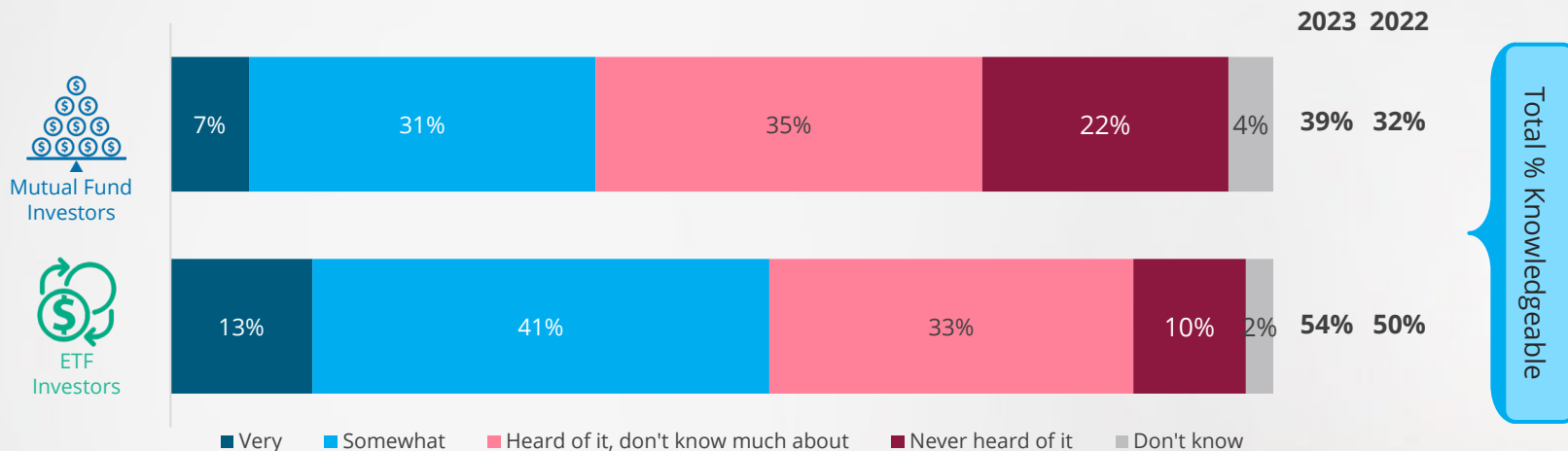
Awareness and Attitudes Toward Responsible Investments

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Knowledge of RI

While knowledge of RI is still limited, it has increased since last year.

43



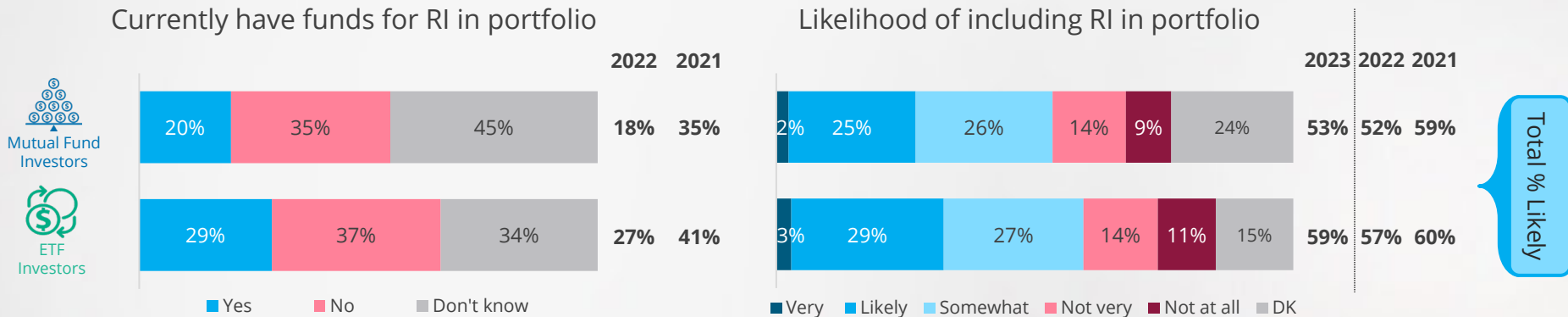
Q40. RI: A strategy to incorporate Environmental, Social and Governance criteria in investment decisions. Would you say you are...?

Base: Web 2023 MF N=4121, Web 2023 ETFs N=1514

Inclusion of RI in Portfolio

While a quarter of investors currently own responsible investments, a majority may include them in the future.

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Note: In 2021, respondents were asked about RI and impact investing separately. In 2022, respondents were asked about RI, also called sustainable investing

Q42. Thinking of the funds that you own, are any of these funds RI/ESG investing/Sustainable Investing? Base: Mutual Fund N=4121, ETFs N=1514 Q43. Using the following scale, how likely are you to include RI/ESG investing/Sustainable Investing into your investment portfolio over the next couple of years? Base: Does not own ESG funds: Web 2023 MF N=3262, Web 2023 ETFs N=1049

Reasons for RI

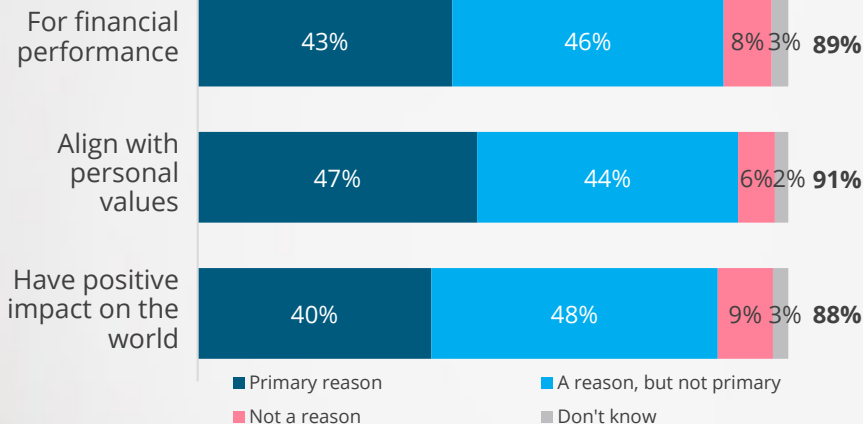


Mutual
Fund
Investors

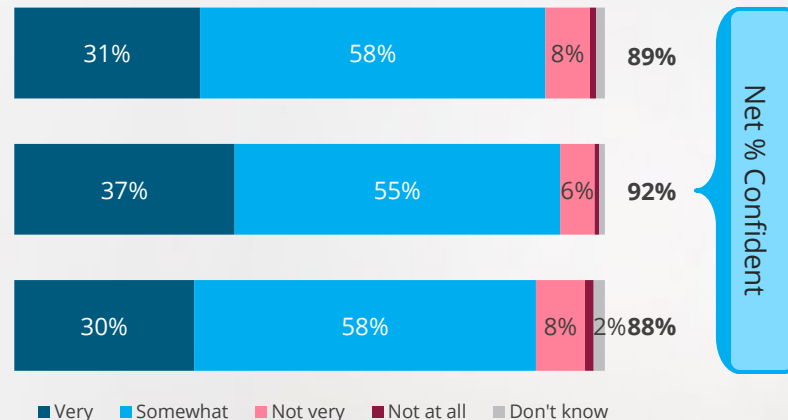
Mutual Fund investors choose RI both for their financial performance and social impact and feel their investments will meet their objectives.

45

Reason for responsible/ ESG/sustainable investment



Confident investments will meet objectives



Q45. To what extent are the following reasons that you investing in Responsible Investments/ESG Investment/Sustainable Investments? Base: Owns responsible investments - Web 2023 MF N=859

Q46. How confident are you that your Responsible Investments/ESG Investments or Sustainable Investments will meet your objectives in each of the following areas. Base: Owns responsible investments / Reason for owning - Web 2023 MF N=varies

Reasons for RI

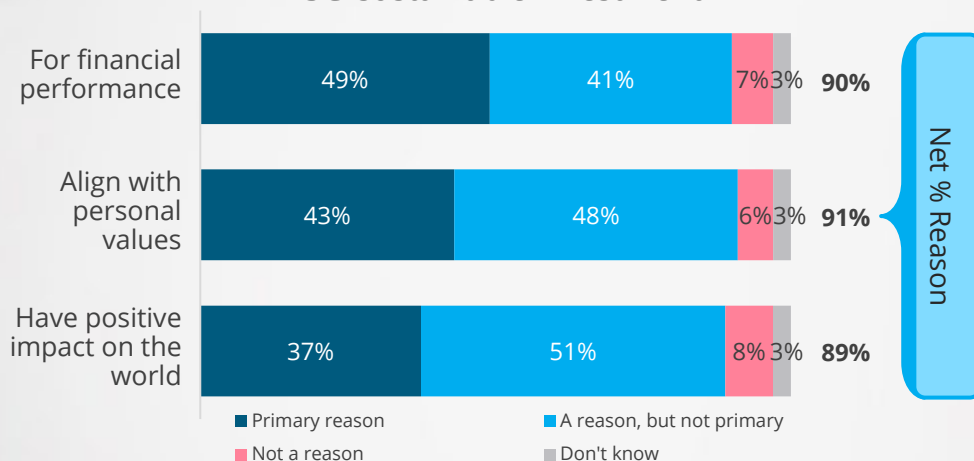


ETF
Investors

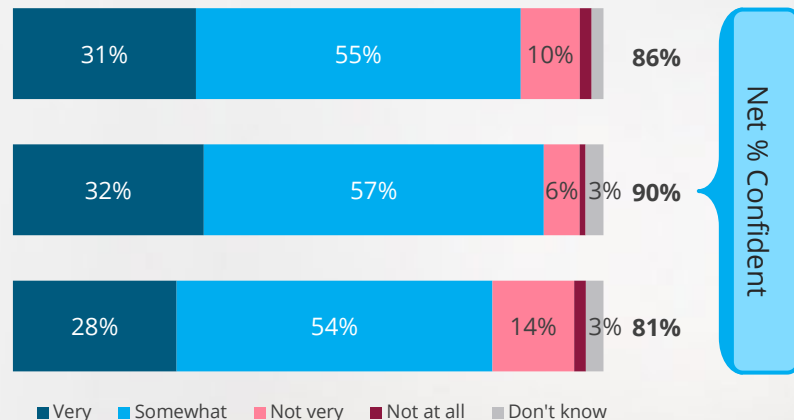
While social impact is important, ETF investors are more focused on the financial performance of RI.

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Reason for responsible/ ESG/sustainable investment



Confident investments will meet objectives



Q45. To what extent are the following reasons that you investing in Responsible Investments/ESG Investment/Sustainable Investments? Base: Owns responsible investments - Web 2023 ETF N=465

Q46. How confident are you that your Responsible Investments/ESG Investments or Sustainable Investments will meet your objectives in each of the following areas. Base: Owns responsible investments / Reason for owning - Web 2023 ETF N=varies

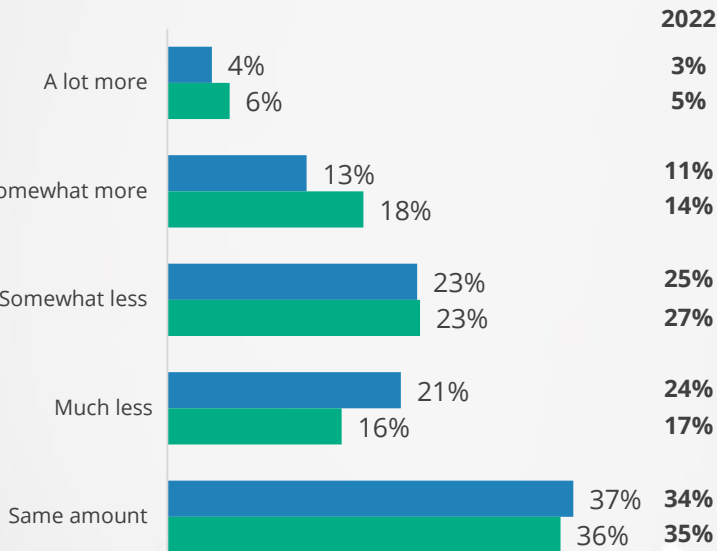
Impact of Current Economic State on Investors

Impact of Inflation on Current Investing

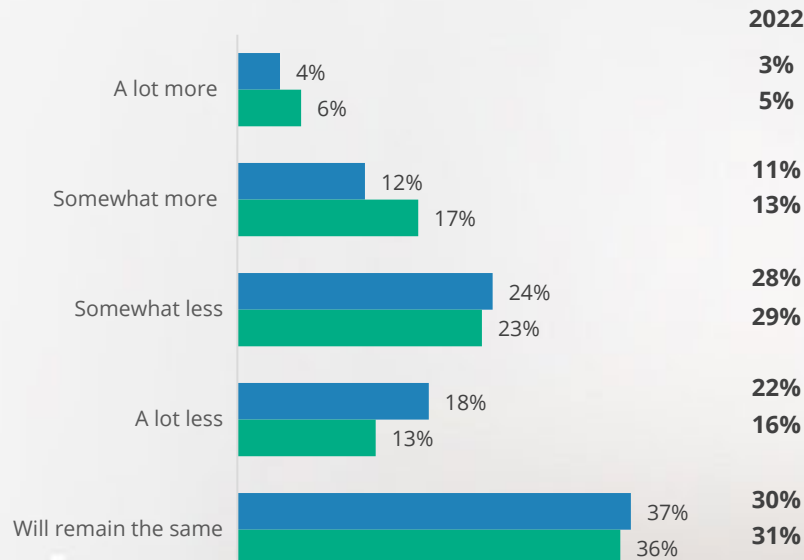
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While the negative impact of inflation on investing has lessened, it is still there and will continue into the next year.

Impact of Inflation on Current Investments



Impact of Inflation on Investments in the next year



Q10. Has inflation and the rising cost of living impacted how much you are currently investing? Base: Total Web 2023 MF N=4121, Web 2023 ETFs N=1514.