

FAIR CANADA INVESTOR SURVEY

DECEMBER 2022



FAIR Canada

Canada's
Investor Rights
Advocate

Promoteur
des droits des
investisseurs



THE
**STRATEGIC
COUNSEL**

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ABOUT THE RESEARCH

FAIR Canada is an independent, national not-for-profit charitable organization. Our mission is to champion the rights of individual investors in Canada through advocacy, education, and regulatory advancements. FAIR Canada retained The Strategic Counsel to survey investors and prepare this report. It worked with an online panel to screen and identify investors for the survey.

The overall purpose of the research is to better understand awareness and attitudes of Canadian investors across a range of issues. These include:

- Providing a portrait of investors and their approach to investing;
- Types of investments in their portfolio (e.g., mutual funds, equities, etc.);
- Use of investment professionals and how investments are made;
- Rationale for investing/investing goals;
- Frequency of investing and checking on investments;
- Identification of investment concerns;
- Sources of investment information;
- Levels of confidence and trust in various types of institutions; and
- Awareness of advocacy organizations and attitudes toward such organizations.

KEY FINDINGS

1

PORTRAIT OF INVESTORS AND THEIR APPROACH TO INVESTING

Most investors are employed, university-educated, started investing before age 35, and invest primarily through registered accounts. The median household income is \$96,000 and the median amount invested is \$125,000.

- Almost 80% of investors surveyed started investing before the age of 35.
- About two-thirds are employed and about one-third are retired. Of those retired, 18% are living off their investments.
- In terms of pension plans, about half of investors surveyed rely solely on the CPP/QPP, whereas only one-third of investors also contribute towards another pension plan.
- There are clear implications for relying solely on a government pension plan. Among those 55 years of age or higher, 64% of those with access only to the CPP/QPP continue to work, compared to 49% who have an additional pension plan.
- Those with an online account tend to be younger (average age of 45) than those without an online account (average age of 54). They also have more invested on average (\$143,000 versus \$110,000).
- Most investors invest through registered tax savings accounts (RRSPs, TFSAs, RESPs and RRIFs). Less than half (43%) hold investments outside of an RRSP, RESP, or RRIF.

2

TYPES OF INVESTMENTS IN THEIR PORTFOLIO

Most investors that work with an advisor tend to hold investment fund products. They also tend to own more mutual funds than ETFs.

- The overwhelming majority of investors (83%) purchase mutual funds and ETFs. Other notable investment products include equities (44%), GICs (31%) and, to a much lesser extent, crypto assets (7%).
- Those who work with an advisor are much more likely to own mutual funds (about 70%), whereas those who self-manage their investments tend to hold less mutual funds (about 39%).
- Self-managing investors tend to hold fewer investment funds in general and tend to hold mutual funds and ETFs in roughly equal amounts. Those investors working with advisors tend to own far more mutual funds relative to ETFs.
- In all, 13% of respondents reported not knowing what types of investments they currently held. This finding suggests that these individuals place a great deal of reliance on financial advisors to manage their investments.

3

USE OF INVESTMENT ADVISORS AND HOW INVESTMENTS ARE MADE

Approximately half of investors have an online trading account. Those who invest larger amounts and are older tend to invest through an investment firm, while those who invest less and are younger tend to self-manage their investments.

- The majority of investors (77%) use an advisor, while 20% do not.
- Those investing through an advice channel also tend to rely heavily on their advisor.
- The overwhelming majority (95%) stated they use the advice they receive, and 58% say they rely on it a great deal.
- The investment channel changes as wealth accumulates. Those investors with assets between \$100,000 and \$249,999 tend to invest through a bank or independent financial advisor. For those with \$500,000 or more in investable assets, almost half use an investment firm to manage their wealth.
- Half of investors have an online trading account. A majority (60%) of younger investors (35 years old or less) have an online account, compared with only 25% for older investors (65 years old or older).
- The number of investors with an online trading account increases with household income, and 55% of those with a household income of \$100,000 or more have an online account.

4

RATIONALE FOR INVESTING

The number one reason for investing is, by far, to save for retirement.

- Other reasons for investing cited less often (about 40%) include saving for emergencies, vacations, and towards other major expenses.
- While only 18% mentioned saving for a child's education as an important reason for investing, this was age dependent. Among those 18 – 34 years, 23% reported that they were saving for a child's education, while 29% of those 35-54 years old were currently saving towards this purpose.

5

FREQUENCY OF INVESTING AND CHECKING ON INVESTMENTS

The majority of investors monitor the performance of their investments. Only about a third trade regularly.

- Almost all (93%) check the performance of their investments a minimum of once or twice a year, and many check it more frequently.
- Nearly six-in-ten (58%) follow the performance of their investments on at least a monthly basis, and one-third (34%) do so at least weekly.
- Men, younger investors, those who invest in ETFs, those who self-manage, and those with \$500,000+ invested are more likely to check their investments more frequently.
- Women, those who invest through a bank, and those with less than \$25,000 invested are likely to trade less frequently.
- In all, 45% of investors perform three or fewer trades a year. 28% of investors surveyed reported making more than ten trades per year.

6

INVESTMENT CONCERNS

Fees are a major concern for investors. Many believe they are currently paying too much or do not understand the reason for them. When presented with a list of issues, the top concerns included advocating for clear and easy to understand information, stronger regulatory enforcement, and the elimination of unfair fees.

- Almost all (96%) supported FAIR Canada's list of advocacy issues, including working to eliminate unfair fees and finding better ways to compensate harmed investors.
- The majority are concerned that they are paying too much in fees (77%) and reported not understanding the fees they pay (63%). Only one-third felt very confident regarding their understanding of investment fees.
- Less than half (39%) agree that they get good value for the fees they pay. The perceived value of advice among respondents increases relative to the amount they have invested.
- In all, 42% had some concerns that their advisor may behave unethically or improperly and almost 60% were worried they may be sold an unsuitable product.
- Those investing through a bank were most likely to be concerned about advisor ethics and self-interest, including the suitability of investment advice.
- Those self-managing their investments (40%) and those investing through a bank (38%) were most concerned about paying too much in fees.

7

SOURCES OF INVESTMENT INFORMATION

A majority of investors rely on the information provided by their advisors when making investment decisions. Self-managing investors rely to a higher degree on the media, personal contacts, financial statements, and newsletters when making investment decisions.

- The use of an advisor increases in proportion with age and the overall value of the portfolio.
- In all, 79% of those aged 65+ reported using an advisor compared to 57% of those under the age of 35. 79% of those with \$500,000+ invested use an advisor compared to 57% of those with under \$25,000 invested.
- Less than 1% rely solely on their own knowledge or financial analysis to make an investment decision, and less than 1% rely on social media for their information.
- Women are more likely to cite the use of financial advisors than men, and men are more likely to rely on online sources and print media than women.
- Self-managing investors primarily rely on a variety of sources when making investment decisions. These include stories/reports in print or online media (55%), friends and family members (41%), financial statements (34%), and investment newsletters (31%).

8

LEVELS OF CONFIDENCE AND TRUST IN INSTITUTIONS

Overall, investors have low levels of confidence in various aspects of investing. There is a tendency, however, for investors to place more trust in those they interact with (advisors and investment firms) than others. They also assume those they interact with will advocate on their behalf.

- Less than 30% feel very confident about their investment knowledge, such as understanding rates of return or fees, and only 22% are very confident about understanding their rights.
- Awareness and trust in the organizations designed to protect investors is very limited. Among these organizations, investors have more confidence that advocacy organizations, rather than regulators or governments, will speak up for them.
- Many investors have limited trust in the investment industry or are simply unsure regarding who or what to trust. As a result, they tend to assume that their advisor or firm will speak up for them. 70%, however, agree that when it comes to investing, every investor has to look out for themselves.
- Almost half of investors believe that financial institutions do not care much about ordinary investors. These respondents indicated a low level of confidence in the ability of government and the regulatory system to protect individual investors.
- Investors largely felt that advocacy organizations are more likely to speak out on behalf of the ordinary investor than regulators or the government.

9

AWARENESS OF AND ATTITUDES TOWARD ADVOCACY ORGANIZATIONS

Awareness of organizations that might protect investors is low, but 90% believe there is a need for advocacy organizations that speak out on behalf of ordinary investors.

- Awareness of FAIR Canada is low (4%), but overall, there is a general lack of awareness of other groups that might protect investors. For example, awareness of IIROC was also low (3%).
- Outside of the AMF in Quebec, no investor seemed to be aware of or able to identify their local securities commission.
- Awareness of FAIR Canada is greater in Ontario than elsewhere in Canada.
- Despite the low level of awareness, 90% believe there is a need for advocacy organizations that speak out on behalf of ordinary investors. Intensity is high with 57% indicating it is 'very' important.
- Those 35 years and under are less likely to believe in the importance of advocacy organizations.

PORTRAIT OF INVESTORS

The average investor has \$125,000 invested, but this varies greatly by age and gender.

- Those with an online account are considerably younger, but at the same time those with an online account also have more invested.

	Median	Mean
Age of Investors	50 years	50 years
Males	50 years	50 years
Females	51 years	51 years
Household income	\$96,000	\$106,000
Amount invested	\$125,000	\$167,000
Men	\$145,000	\$178,000
Women	\$100,000	\$157,000
18 – 34	\$74,000	\$54,000
35 – 54	\$132,000	\$155,000
55 – 64	\$175,000	\$228,000
65 +	\$230,000	\$270,000
Type of account		
Online account - amount invested	\$143,000	\$180,000
No online account - amount invested	\$110,000	\$160,000
Age of those with an online account	43 years	45 years
Age of those with no online account	56 years	54 years

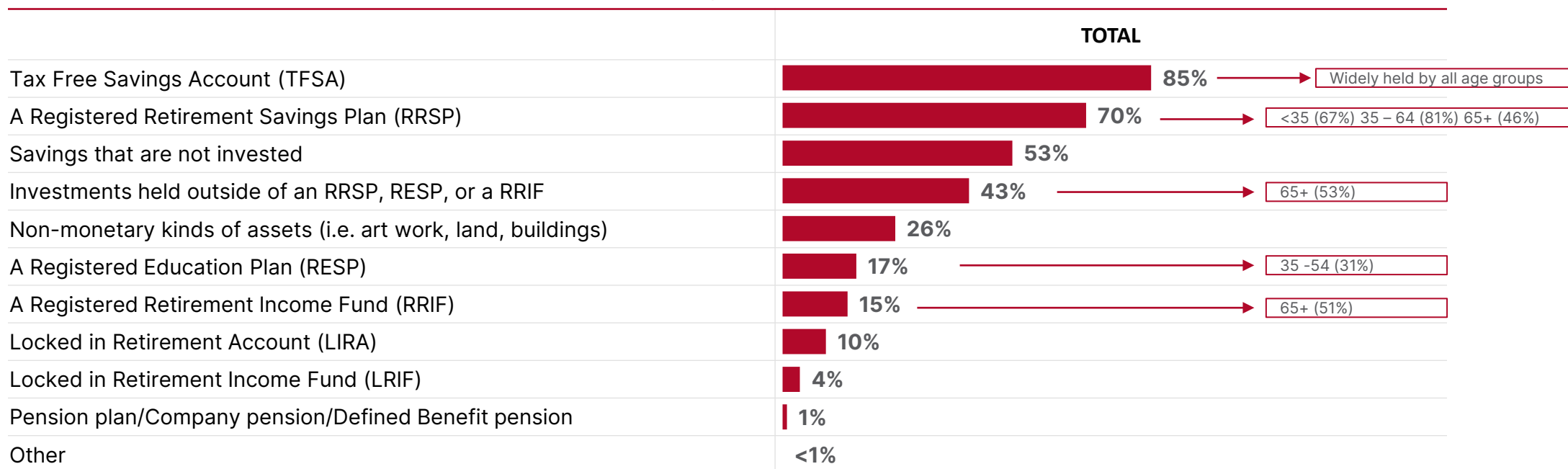
Employment Status	
Working	64%
Full-time	58%
Part-time	6%
Retired	29%
Other/prefer not to say	7%
Marital Status	
Single (never married)	26%
Married/common law	59%
Widowed/separated/divorced	12%
Age	
18 – 34	24%
36 – 54	35%
55- 64	20%
65+	21%

Note: Throughout this report seniors refers to those 65+ years of age.

A TFSA and RRSP are the most commonly cited types of investments accounts. Not surprisingly, the type of investment account held varies by age.

- Among those 18 – 34, TFSAs (89%) are much more popular than RRSPs (67%).

Investments, Savings, Assets, Pensions



Q6. Do you have any of the following? (Please select all that apply)
 Base: Total sample (n=1000)

While almost all investors have some kind of pension plan, 52% rely solely on the CCP or QPP government plans. This has significant implications for financial resiliency when investors retire.

- 52% of investors have only CPP/QPP to fall back on, whereas only 31% have another pension to supplement the CCP/QPP.
- There appear to be implications for this. Among those 55 years of age or higher, 64% with only CPP/QPP, continue to work, compared with 49% among those with an additional pension.
- This suggests that those with an additional pension can choose to retire earlier and do not have to solely rely on their investments to live on. They also have more invested (see box below) while those with no additional pension work for more years and will need to rely solely on their investments and CPP/QPP.

Contribute To or Have Pension

	TOTAL
Canada Pension Plan (CPP)	75%
Defined Benefit Pension Plan (DBPP)	22%
Quebec Pension Plan (QPP)	20%
Defined Contribution Pension Plan (DCPP)	10%
Pooled Registered Pension Plan (PRPP)	3%
I do not have or contribute to a pension plan	9%
Don't know/not sure	5%

Median and (Mean) amount invested:

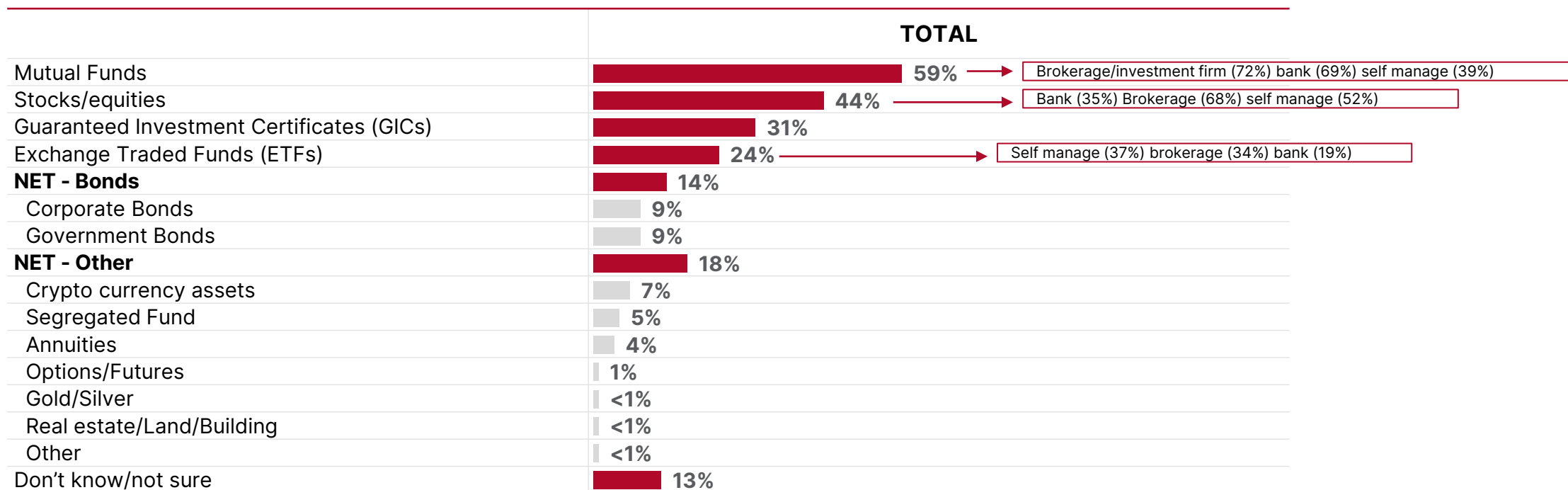
- Working 55+ - \$151,000 (\$233K)
- Not working 55+ - \$233,00 (\$279K)

Q7. Which of the following, if any, do you contribute to or have? (Please check all that apply)
 Base: Those with investments (n=1000)

Mutual funds and stocks/equities are the most frequently purchased investment products.

- There are few age differences by investment vehicles with the exception of ETFs (<35: 34%); GICs (65+: 39%) and crypto (<35: 17%) but some gender differences: stocks/equities (men: 51%; women: 36%); and ETFs (men: 30%; women: 19%).
- There are some differences in products owned by how an account is managed (see below). One example, those who do not use a professional (self manage) are less likely to own mutual funds.

Kinds of Investments



Q9. What kinds of investments do you have? (Please check all that apply)
 Base: Those with investments (n=1000)

AMOUNT INVESTED

How investments are managed varies greatly by the amount invested, and as the amount invested increases there is a progression away from the bank channel to investment firms.

- Those who self manage are the youngest by a considerable number of years and also have the least amount invested.

Amount Invested and How Managed

	TOTAL	TOTAL*	How investments are managed			
			Self manage	Brokerage/ investment firm	Bank	Independent financial advisor
Under \$25,000	10%	12%	14%	5%	12%	6%
\$25,000 - \$49,999	9%	11%	14%	5%	9%	9%
\$50,000 - \$99,999	21%	24%	31%	16%	24%	22%
\$100,000 - \$249,999	21%	24%	20%	18%	30%	28%
\$250,000 - \$499,999	10%	12%	10%	10%	10%	16%
\$500,000 or more	15%	18%	12%	46%	14%	20%
Prefer not to answer	15%	-	-	-	-	-
Median amount invested	\$125,000	-	\$86,000	\$395,000	\$121,000	\$171,000
Median age	50 years	-	44 years	57 years	50 years	54 years

*Total excluding 'prefer not to answer'

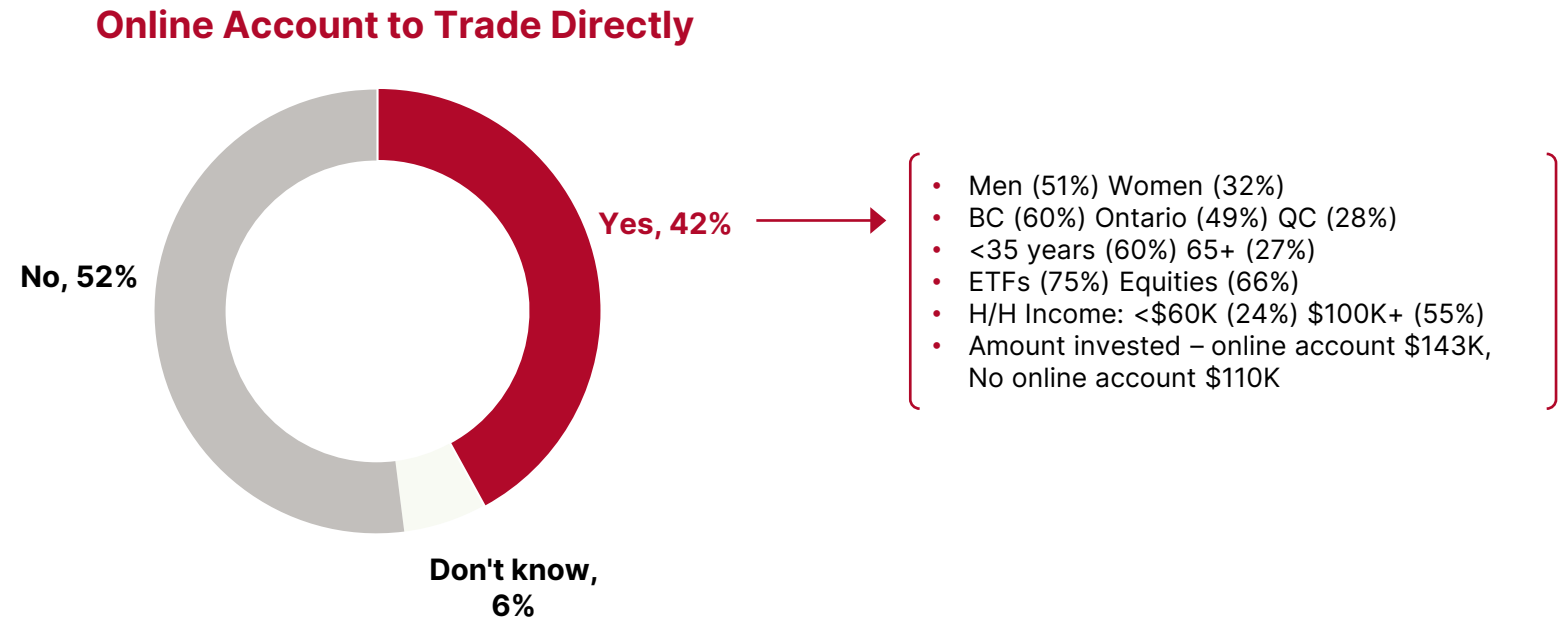
Q32. What is the total value of your investments? Please exclude the value of your home or other real estate holdings like a cottage or second residence. If your investments are held jointly with another person, please answer this question based on the value of your combined investments.

Base: Those with investments (n=1000)

MANAGING INVESTMENTS

Four in-ten (42%) say they have an online account to trade directly.

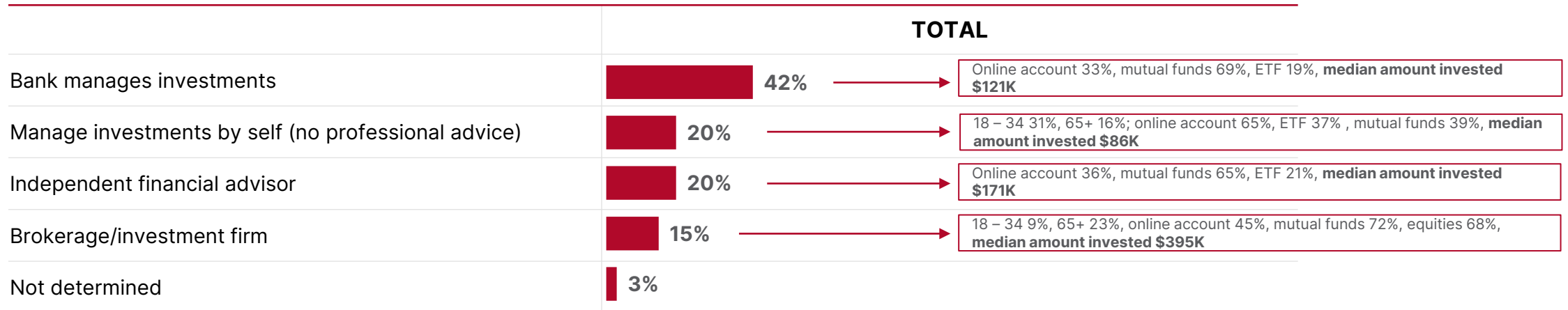
- There are demographic patterns associated with an online account (see box below) and this varies by gender, region and type of investment products owned and amount invested.



Q10. Do you have an online account that allows you to directly trade stocks/bonds and other investments?
Base: Those with investments (n=1000)

The way investments are managed is linked to the products in a portfolio and the amount invested.

- Those working with a brokerage firm easily have the most invested and the likelihood of doing so increases with age.
- Those who manage their own investments with no professional assistance are generally younger, the most likely to have an online account, have the least amount invested, are the most likely to have ETFs and the least likely to own mutual funds.

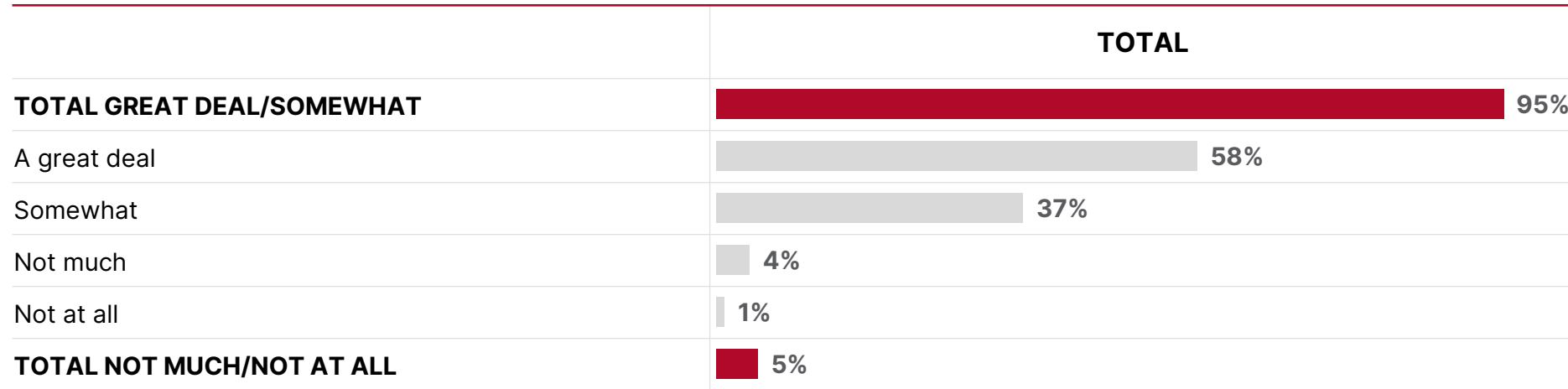


Q8. Which of the following best describes how you manage your investments? (Please select all that apply)
 Q11. Do you have a separate account with an independent investment advisor or at a bank or brokerage firm where you can speak with someone about investments?
 Q19. Do you invest through...?
 Base: Those with investments (n=1000)

Among those making use of professional advice over half (58%) report using the advice a great deal.

- While 58% using a professional of some kind say they rely on this advice ‘a great deal’, 42% say their use is more limited (see box below).

Extent of Reliance on Advice and Recommendations from Professionals



Those making use of a professional but reporting more limited use include:
 18 – 34 (55%); <\$25K invested (54%); investing through a bank (46%).

Q20. When it comes to investing, to what extent do you rely on advice and recommendations from professionals (i.e., your financial planner, broker, advisor, insurance agent, etc.)?
 Base: Those with investments, Invest through a professional at Q19 (n=687)

INVESTMENT LIFE STAGE

Two-thirds of investors continue to build their portfolio, and many appear to have started investing before they were 35 years of age. And for those who started later (45+), the median amount invested for the group is only \$48,000.

- As expected, those continuing to build their portfolio is very age related: <55 years (83%); 55 – 64 years (60%); 65+ (24%).
- A majority of seniors report living off their investments (57%) as do one-in-five (22%) of those 55 – 64 years of age.

Investment Situation

	TOTAL
I am continuing to build up the amount invested.	66%
I am retired and living off my investments.	18%
I am no longer adding to my investments.	13%
I am not retired but not adding to my investments and have had to sell off some of them.	3%
Other	<1%

Age Started Investing

	TOTAL
18 TO 24	39%
25 TO 34	40%
35 TO 44	13%
45 TO 54	6%
55+	3%
MEAN	28
MEDIAN	28

Current age and age started investing:
 57% of those 65+ years were investing prior to age 35
 68% of those 55 -64 years were investing prior to age 35
 But, a few arrive at investing later in life: among those 65+ years, 21% started investing at 45 or later.

Q13. At the present time, which one of the following best describes your investment situation? (Please only select one)

Base: Those with investments, Yes or Don't know at Q10 and No/Don't know at Q11 (n=1000)

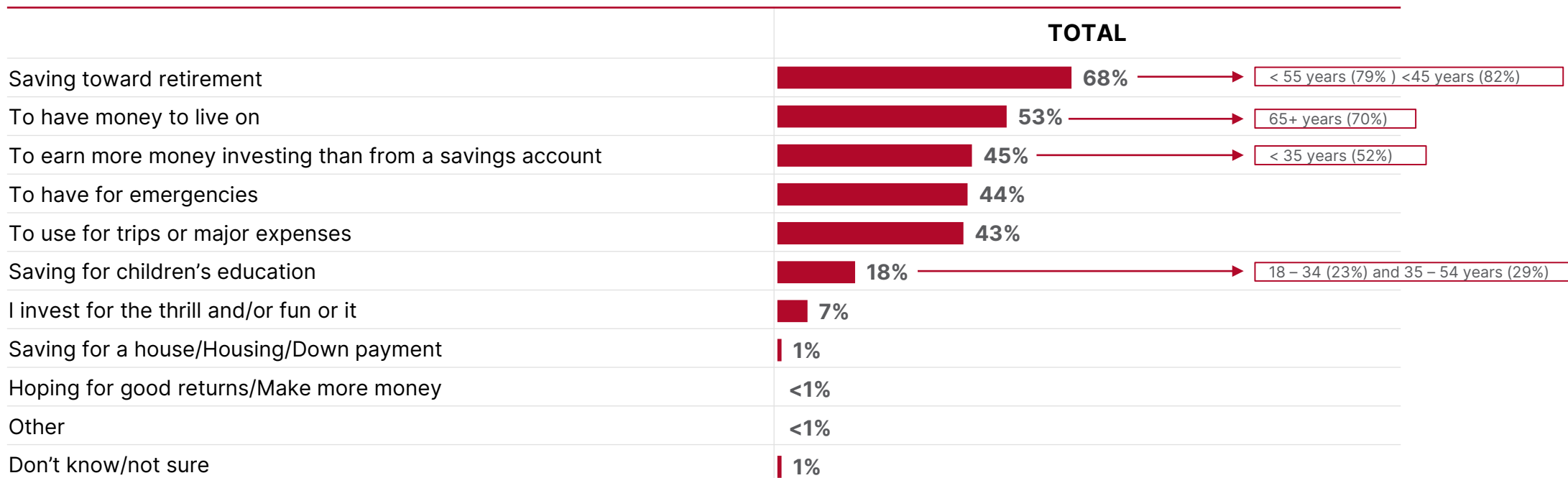
Q15. At what age did you start investing?

Base: Those with investments (n=1000)

Although retirement is most frequently cited, a variety of other reasons for investing are also important.

- Once those 65+ are removed from the analysis of saving toward retirement, retirement is easily the most important reason for investing among those 55 years and under (see box).
- To have money to live on is a major reason for investing among those aged 65 and over (see box).
- Better returns than a savings account is somewhat more of a reason for investing among those under 35 years (52%) relative to those 35 years and over (42%).

Investment Goals or Reason for Investing



Q14. Which of the following best describes your investment goals or reason for investing? (Please select all that apply)
 Base: Those with investments (n=1000)

FREQUENCY OF TRADING AND REVIEWING PERFORMANCE OF INVESTMENTS

Investors vary greatly in trading activity, with one-quarter trading once a year or less and one-third doing seven or more trades a year. 58% follow their investments' performance on at least a monthly basis and 34% at least weekly.

- There are few demographic differences regarding frequency of investing other than by gender and amount invested (shown below). Overall, men seem more engaged in investing than women as are those with \$250K or more invested. Those who manage their investments through a bank are among the least likely to actively invest (see box).
- Men, younger investors, those trading in ETFs, those with \$500K + invested, and those self managing their investments are more likely to check their investments more frequently.

How Often an Investment or Trade is Made in an Average Year

	TOTAL
Less than once a year	9%
Once a year	15%
Two or three times a year	21%
Four to six times a year	11%
Seven to 10 times	5%
More than 10 times a year	28%
Don't know/not sure	12%

- Once a year or less - gender: men (19%) women (28%); bank manages investments (23%).
- Once a year or less – amount invested: \$25K (24%) \$250K to \$499K (18%) \$500K+ (9%).

Frequency in Checking on the Performance of Investments

	TOTAL
Daily	11%
At least once a week	23%
At least once a month	24%
Every few months	15%
A few times a year	11%
Once or twice a year	9%
Less than once a year	4%
Never	2%
Don't know/not sure	2%

- Check once a week or more: men (44%) women (24%); <35 (40%) has ETFs (52%); invested \$500K+ (48%); self manage investments (49%)
- Check every few months or less: men (19%) women (32%); independent financial advisor manages investments (24%)

Q16. How often, in an average year, do you make an investment or trade?

Base: Those with investments, adding at Q13 (n=658)

Q17. How often do you check on the performance of your investments?

Base: Those with investments, No longer adding/not adding at Q13 (n=1000)

The most frequently cited source of information for investors is a financial or investment advisor. Self-managed investors rely, to a greater extent, on the media, family and friends, newsletters and financial statements.

- There are a number of demographic variations in sources largely by gender, age and size of portfolio (see box).

Sources of Information Used When Making an Investment Decision

	TOTAL	
Financial/investment advisor	68%	
Reports/stories in print or online media	33%	Self manage (55%)
Friends/family members	24%	Self manage (41%)
Investment newsletters	21%	Self manage (31%)
Financial statements from companies you might want to invest in	20%	Self manage (34%)
Online/Website	1%	
Myself/Personal knowledge/My own financial analysis	1%	
TV	<1%	
Social media/Facebook group	<1%	
Podcast/YouTube	<1%	
Other	1%	
Nothing	1%	

- Women (72%) are more likely to cite financial/investment advisors than men (64%), while men (43%) tend to rely more on online/print media than women (22%).
- While all groups of investors name financial/investment advisors as the most frequently cited source, this intensifies with age (under 35: 57%; 65+: 79%).
- Similarly, as the value of a portfolio increases so does the frequency of citing an advisor: <\$25K (57%), \$500K+ (79%).
- Half (51%) of those who say they do not have an account that enables them to speak with an advisor (see Q11) cite financial/investment advisor as a source of information, which presumably means they may have access to such sources.

Q18. What sources of information do you use when making an investment decision? (Please check all that apply)
 Base: Those with investments (n=1000)

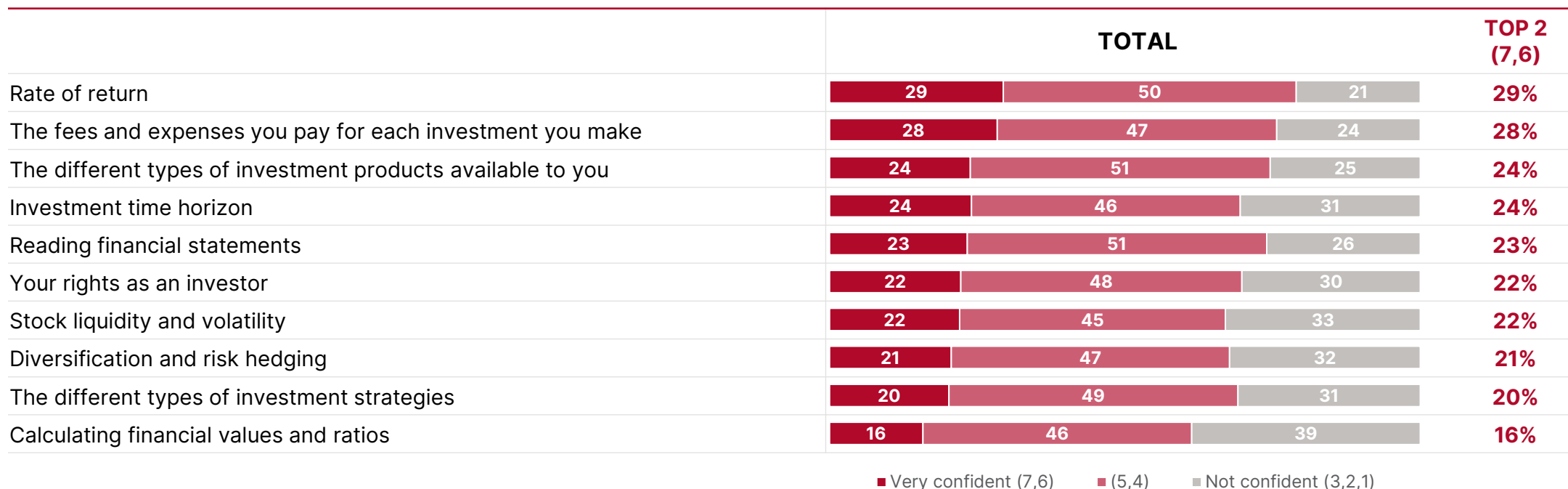
UNDERSTANDING, TRUST AND ADVOCACY

LEVEL OF CONFIDENCE IN UNDERSTANDING FACTORS WHEN INVESTING

Confidence in various aspects of investing varies greatly, but only 29% or fewer report being 'very' confident. Even regarding fees and expenses (among highest level of confidence), only 28% report being very confident.

- Across all measures, men report more apparent confidence than women. Reported confidence tends to increase across most items with age.
- On most items, there are substantial differences in level of reported confidence by amount invested with those with \$500K+ invested being the most confident and >\$25K the least.
- There is also some variation in confidence in understanding fees paid by how investments are managed: brokerage/investment firm (36%), self managed (35%), independent advisor (27%), bank (21%). These results suggest there is limited confidence in understanding fees and expenses. Even among those with \$500K+ invested only 46% are very confident.
- Those investing through a bank consistently have the lowest confidence ratings, which suggests they may be the most vulnerable.

Level of Confidence in Understanding Various Aspects of Investing



Q21. How would you describe your level of confidence when it comes to understanding the following factors when investing? On a scale of 1 to 7, where would you put yourself in terms of investment confidence (assuming that 1 is the lowest score and 7 indicates the highest level of confidence)?

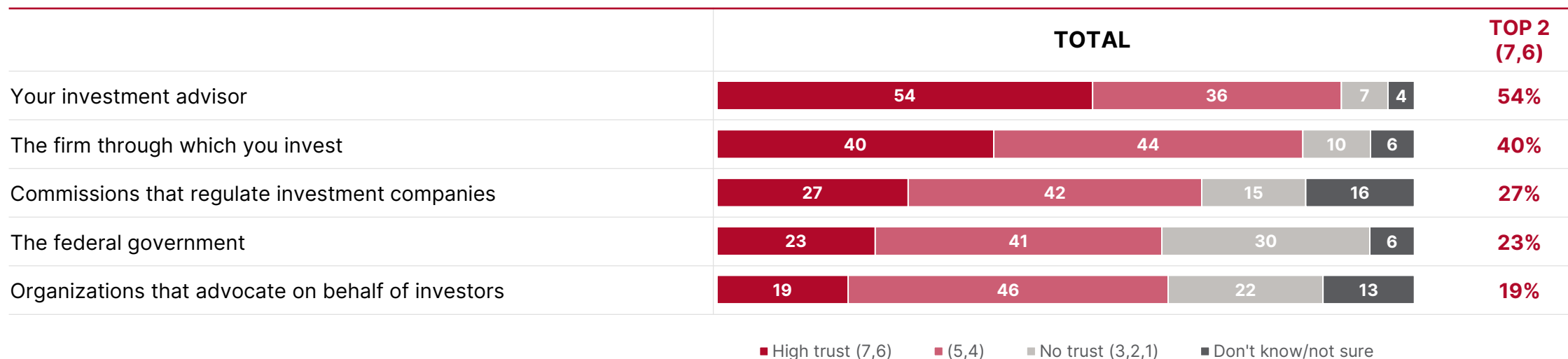
Base: Those with investments, Don't invest through a professional at Q19 (n=1000)

LEVEL OF TRUST

Investors tend to place more trust in those they deal with in the industry—advisors and firms—than they do in regulators, the government or advocacy organizations.

- Trust in the advisor and firm increases with the amount invested.
- In terms of trust in the advisor, only 45% say they are very trustful where a bank is managing their investments compared with 65% for investment advisor and 66% for brokerage/investment firm. This difference may be a function of the nature of the relationship, which may be more personal in the case of an investment advisor or brokerage/investment firm than with a bank.
- Trust in the firm is strongly linked to how investments are managed: independent advisor (53%), brokerage/investment firm (51%), bank (35%), self managed (27%). The implication is that trust is somewhat limited where a bank is managing the investment.
- In terms of trust in advocacy organizations, there are no real differences by demographics, how money is invested, or the amount invested.

Level of Trust in the Following . . .



Q22. On a scale of 1 to 7, how much trust do you have in each of the following (assuming that 1 is the lowest level of trust and 7 indicates the highest level of trust)?

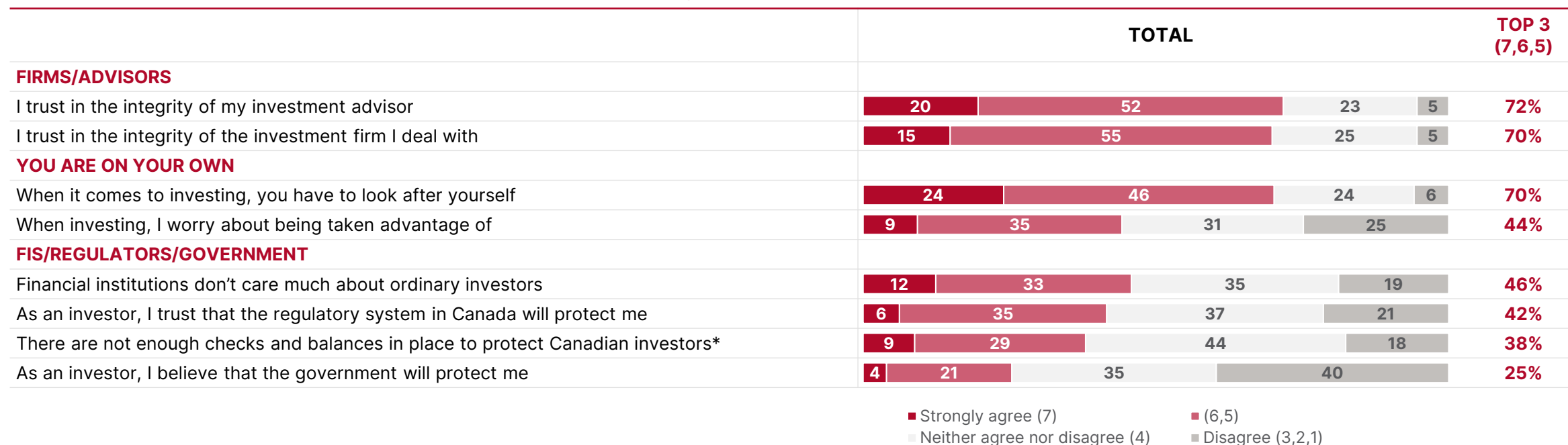
Base: Those with investments, Invest through a professional at Q19 (n=1000, bases vary)

ATTITUDES RELATED TO INVESTING

A large minority of investors on many items choose the mid-range (4) suggesting a neither agree nor disagree mindset and indicating a level of uncertainty or lack of awareness regarding many issues related to trust.

- Aside from trust in their advisor and to a lesser extent the firm they deal with, investors have limited trust in other institutions and most (70%) agree ‘when it comes to investing, you have to look after yourself’.
- Once again, those dealing with a bank have much lower trust in the advisor and firm (65% and 61%, respectively) than those dealing with an independent advisor (85% and 82%, respectively). The implication is that the relationship with the advisor at the bank is typically less personable or attentive than with an independent advisor or brokerage/investment firm. At the same time, and as noted above, those dealing with a bank tend to have less money invested.

Level of Agreement With Statements



Continued . . .

Q23. Please select a number from 1 to 7, where 1 means you strongly disagree and 7 that you strongly agree, to indicate the extent to which you agree or disagree with each of the following statements.

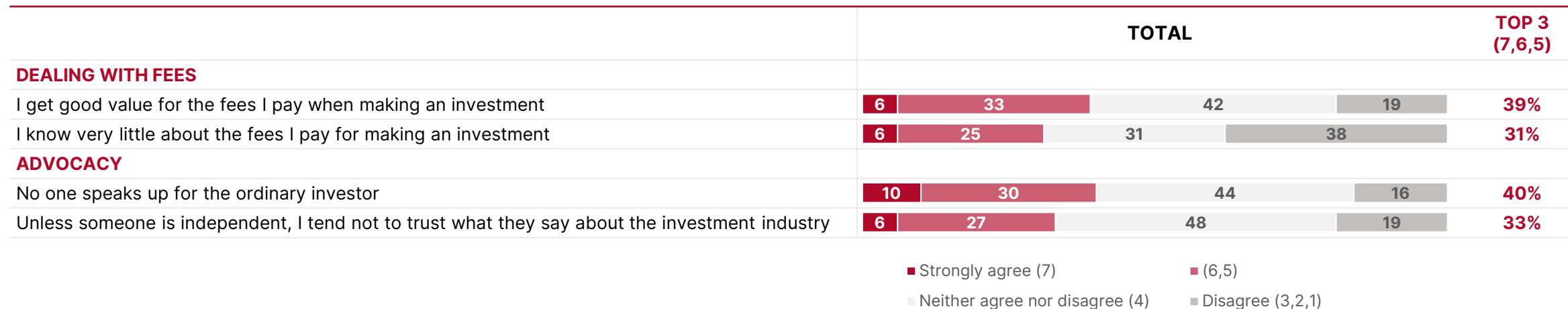
Base: Those with investments, Invest through a professional at Q19 (n=1000)

*Full statement: There are not enough checks and balances in place to protect Canadian investors from improper activities, fraudulent practices, and unethical behaviours

Less than half (39%) agree they get good value for the fees they pay. Many also appear to believe no one speaks up for the ordinary investor, but again the number undecided (4 on the scale) is high.

- In all, more disagree (38%) than agree (14%) that they know little about the fees they pay. But, the fact that less than four-in-ten believe they know about the fees they pay again suggests this is an issue for many investors.
- In particular, younger investors (under 35 years) and those with lower amounts invested are much more likely to agree and much less likely to disagree that they know little about the fees they pay.

Level of Agreement With Statements (cont'd)



Q23. Please select a number from 1 to 7, where 1 means you strongly disagree and 7 that you strongly agree, to indicate the extent to which you agree or disagree with each of the following statements.
 Base: Those with investments, Invest through a professional at Q19 (n=1000)

AGREE/DISAGREE STATEMENTS DEALING WITH TRUST

Many investors have limited trust in the investment industry or are simply unsure who/what to trust. Many feel they have to look after themselves and few feel there is anyone speaking up for them.

FIRMS/ADVISORS

72%: I trust in the integrity of my investment advisor.

70%: I trust in the integrity of the investment firm I deal with.

YOU ARE ON YOUR OWN

70%: When it comes to investing, you have to look after yourself. *Younger investors (18 – 34) are less likely to agree.*

44%: When investing, I worry about being taken advantage of. *Concern declines with amount invested and age.*

FIs/REGULATORS/GOVERNMENT

45%: Financial institutions don't care much about ordinary investors. *Seniors are the least likely to agree and those 18 – 54 are the most likely.*

42%: As an investor, I trust that the regulatory system in Canada will protect me. *Trust increases after age 55 and with the amount invested.*

38%: There are not enough checks and balances in place to protect Canadian investors from improper activities, fraudulent practices, and unethical behaviours.

- *While the low level of agreement might suggest that investors believe there are checks/balances, in fact only 18% disagree and 44% opt for neither agree nor disagree.*

25%: As an investor, I believe that the government will protect me.

- *In all, 40% disagree and 35% are undecided suggesting limited trust and that many are unsure if the government protects.*

ADVOCACY

40%: No one speaks up for the ordinary investor. *Only 16% disagree and another 44% are unsure, suggesting that most do not know or do not believe anyone speaks for them.*

33%: Unless someone is independent, I tend not to trust what they say about the investment industry.

- *While only one-third agree, only 19% disagree and 48% are undecided. This again suggests limited trust and many investors simply being unsure.*

Unless indicated, percentages are percent agreeing (5 – 7 on a 7-point scale)

Respondents seem less than certain about getting good value for the fees they pay and less than half appear to know much about the fees they pay. This suggests that fees are a key issue.

FEES

39%: I get good value for the fees I pay when making an investment.

- *Less than half agree they get good value for the fees they pay and a large number are simply undecided. It may be that many simply have not asked themselves this question.*
- *Responses are also linked to amount invested with perceived value increasing as amount invested goes up: <\$25K (33%); \$250K+ (48%).*
- *Those who invest through a bank (33%) or self manage (32%) are much less likely to agree than those who invest through a brokerage/investment firm (47%) or an independent advisor (48%).*

31%: I know very little about the fees I pay for making an investment.

- *This statement has among the lowest (31%) number of investors saying they neither agree nor disagree and almost the highest level of disagreement (38%), suggesting they believe they know about the fees they pay. Having said this, the majority are undecided or agree they know very little, which suggests this is an issue for many.*
- *Those investing through a bank are the most likely to agree (38%) they know very little about the fees they pay and the least likely (30%) to disagree. Among those using an independent advisor, 33% agree they know little about the fees they pay and 40% disagree.*
- *The level of agreement varies somewhat by age. Those under 55 are somewhat more likely to agree they know very little (33%) compared with those 55 years and older (27%).*
- *Amount invested is also associated with an attitude toward fees. Among those with investments under \$200K, 38% agree compared with just 17% among those with investments of \$500K or more.*

Unless indicated, percentages are percent agreeing (5 – 7 on a 7-point scale)

INVESTING CONCERNS

While losing money due to a market downturn and a breach of their privacy are the most frequently cited concerns, paying too much in fees and market manipulation are also cited frequently.

- Over a third (36%) appear to be very concerned about overpaying in fees, and in all 76% appear to have some level of concern.
- Self managing investors (40%) and those investing through a bank (38%) are the most likely to be very concerned about paying too much in fees.
- 42% have some concerns about their advisor behaving unethically or improperly and 57% have some concerns about the suitability of an investment.
- There is also some concern about advisors putting their interests first (55%) and the appropriateness of advice (59%).

Level of Concern With Specific Situations

	TOTAL				TOP 2 (7,6)
Suffering a sizeable investment loss due to a market downturn	43	38	16	3	43%
An online security breach resulting in a breach of my privacy	43	36	18	3	43%
Losing money because the markets are being manipulated	39	38	20	4	39%
Paying too much in fees	36	41	19	4	36%
Being sold an investment that is not suitable for me	24	33	38	6	24%
My investment advisor putting their interests before mine	22	33	41	4	22%
Not really understanding the fees I pay for investment advice	21	42	31	6	21%
Not knowing if the investment advice I am being given is appropriate for me	21	38	37	4	21%
My investment advisor behaving unethically or improperly	18	24	52	5	18%

- Seniors appear to be the least concerned regarding paying too much in fees (44%) or that they do not understand the fees they pay (28%).
- Those with investments of \$500K+ are the least concerned about not understanding the fees they pay (22%) but are concerned about paying too much in fees (53%) as are all types of investors.

- Very concerned (7,6)
- (5,4)
- Not concerned (3,2,1)
- Not applicable

Q24. Please select a number from 1 to 7, where 1 indicates that you are not at all concerned and 7 that you are extremely concerned, to indicate the extent to which each of the following is a concern for you as an investor.
Base: Those with investments, Invest through a professional at Q19 (n=1000, bases vary)

WHO ADVOCATES FOR THE ORDINARY INVESTOR

Generally, few investors strongly believe that any group will speak up for the ordinary investor. But they tend to have a stronger belief that the advisor or firm they interact with will speak up for them compared to other groups. They have the least amount of confidence that government will.

- Those most likely to believe an advocacy organization would speak out are those with the most (\$500K) invested (31%) while those with the least amount (\$25K) are the least likely (14%) to believe this.
- Those whose investments are managed by a bank have the lowest level of belief (7%) that the firm they invest through (presumably a bank) would speak out on behalf of ordinary investors compared with those working with a brokerage/investment firm (33%).

Level of Advocacy on Behalf of Ordinary Investor

	TOTAL				TOP 2 (7,6)
The investment professional you deal with	34	47	15	4	34%
The investment firm where your advisor works	28	51	18	3	28%
Organizations that advocate on behalf of investors	22	56	18	4	22%
The regulator that oversees the investment industry	19	54	23	4	19%
The firm you invest through	12	53	27	7	12%
The federal government	12	43	42	3	12%
The provincial government	11	41	45	2	11%
Other, please specify	7	20	17	56	7%

- The higher rating given for the 'investment firm where your advisor works' speaking out than 'the firm you invest through' may be a function of the 'halo effect' of trust in the advisor/professional carrying over to the firm when the two are paired together.

- Will speak up (7,6)
- (5,4)
- Will not speak up (3,2,1)
- Not applicable

Q25. Please select a number from 1 to 7 to indicate the extent to which you believe each of the following will speak up on behalf of the ordinary investor?

Base: Those with investments, Invest through a professional at Q19 (n=1000, bases vary)

IMPORTANCE AND AWARENESS OF INVESTOR ADVOCATES

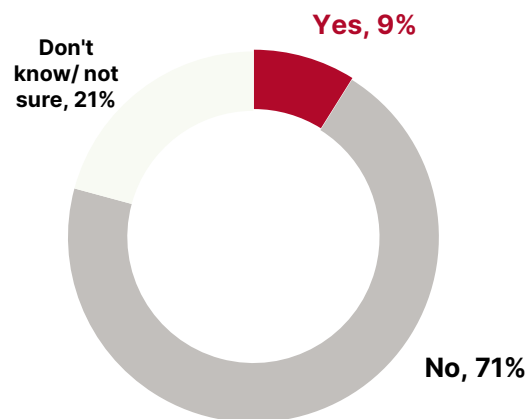
90% of investors believe it is important that there be an advocacy organization that speaks out for investors, with 57% saying it is 'very' important. Awareness of advocacy organizations is low, as is awareness of any group that might protect investors, such as IIROC and securities commissions.

- Age is the only demographic related to the importance that there are advocacy organizations. Among those 35 years old and under, only 39% believe it is 'very' important.
- While the AMF is cited most frequently this is exclusively in Quebec where 39% (n=9) of those who say they are aware of advocacy organizations cite it.

Level of Importance That There Be Advocacy Organizations That Speak Up on Behalf of Ordinary Investors

	TOTAL
TOTAL IMPORTANT	90%
Very important	57%
Somewhat important	33%
Not too important	5%
Not at all important	1%
TOTAL NOT IMPORTANT	6%
Don't know/not sure	4%

Aware of Advocacy Organizations/Individuals



Aware of Names of Independent Organizations/Individuals

	TOTAL
AMF	10%
IIROC/OCRCVM	3%
ADVOCIS	2%
Banks/Credit unions	2%
Canadian Taxpayers Federation	2%
Ombudsman	2%
Miscellaneous organizations	25%
Miscellaneous individuals	5%
Other	3%
None	1%
Not Stated	7%
Don't know/not sure	40%

Q26. How important is it that there be advocacy organizations that are independent of government and regulatory bodies that speak up on behalf of the ordinary investor?

Q27. Are you aware of any independent organizations or individuals that speak up on behalf of the ordinary investor?

Base: Those with investments (n=1000)

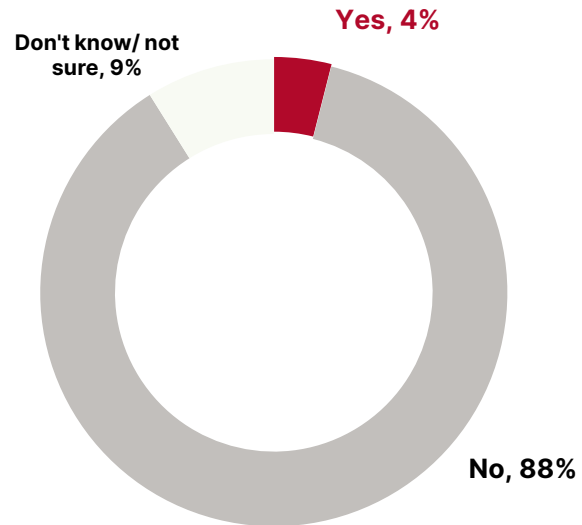
Q28. What independent organizations or individuals are you aware of that speak up on behalf of the ordinary investor?

Base: Those with investments, Yes at Q27 (n=87)

Consistent with the lack of awareness of any group that might protect investors, four percent say they are aware of FAIR Canada.

- Five percent report awareness in Ontario and two percent elsewhere.

Seen, Read or Heard of FAIR Canada



Q29. Have you ever seen, read or heard of an investor advocacy organization called FAIR Canada?
Base: Those with investments (n=1000)

On all issues cited, half or more of investors say FAIR Canada should speak out and with clear and easy to understand information and unfair fees heading the list.

Level of Importance That FAIR Canada Speaks Out or Provides Information on Issues

	TOTAL				TOP 2 (7,6)
Advocates to ensure that investors are provided information that is clear and easy to understand	65	20	2	12	65%
Advocates to eliminate unfair fees	65	20	3	12	65%
Advocates for stronger enforcement by regulators	62	24	2	13	62%
Advocates to ensure investors have the all the information they need	61	25	2	12	61%
Advocates for better ways to compensate harmed investors	60	24	3	13	60%
Develops resources and provides information about investor rights	59	27	2	12	59%
Develops resources and provides information to investors on how to make a complaint	59	26	3	13	59%
Develops resources and provides information on the types of fees investors pay	58	26	3	13	58%
Advocates for greater professionalization for investment dealers and advisors	57	27	4	13	57%
Advocates to eliminate confusing titles	52	28	5	15	52%



Q30. As you may or may not know, FAIR Canada is an independent investor advocacy organization. How important to you is it that FAIR Canada speaks out or provides information on the following issues?
 Base: Those with investments (n=1000)

ISSUES TO ADVOCATE OR PROVIDE INFORMATION

When asked to cite their most important issue, no single issue stands out. However, the more important issues include: clear and easy to understand information, stronger regulatory enforcement, elimination of unfair fees, appropriate information, and better ways to compensate harmed investors.

- Most (96%) had no additional advocacy issues and those few who did tended to cite variations on the ones probed.

Issues That Are Most Important That FAIR Canada Speaks Up/Provides Information About

	TOTAL
Advocates to ensure that investors are provided information that is clear and easy to understand	22%
Advocates for stronger enforcement by regulators	19%
Advocates to eliminate unfair fees	15%
Advocates for ensure investors have the all the information they need	13%
Advocates for better ways to compensate harmed investors	10%
Develops resources and provides information about investor rights	6%
Advocates for be greater professionalization for investment dealers and advisors	5%
Develops resources and provides information on the types of fees investors pay	4%
Develops resources and provides information to investors on how to make a complaint	3%
Advocates to eliminate confusing titles	2%

Other Issues That FAIR Canada Should Speak Up About or Provide More Information to Investors

	TOTAL
NET - Yes	4%
Clear information/More financial education/Be clear regarding investments	1%
Fees/Fees are too high/Reducing fees	1%
Investment fraud/Criminal activity/Pyramid schemes/How to deal with scam artists/Getting those responsible in jail	1%
Regulation of the investment community/Strict regulation	1%
Compensation for unfair losses/Information on how to be compensated	<1%
Consumer rights/How to make a complaint	<1%
Cryptocurrencies/Bitcoins/NFT	<1%
Other	1%
No	41%
Don't know/not sure	55%

Q31. Which of these issues is the most important to you that FAIR Canada speaks up or provides information about? (Please only select one)

Base: Those with investments, All statements checked as Extremely important at Q30 (n=586)

Q32. Are there any other issues that you believe FAIR Canada should speak up about or provide more information to investors?

Base: Those with investments (n=1000)

APPENDICES

ABOUT THE RESPONDENTS

GENDER n=1000

50%	Male
49%	Female
1%	Other
1%	Prefer not to answer

AGE n=1000

2%	18 TO 24
22%	25 TO 34
16%	35 TO 44
19%	45 TO 54
41%	55+
50.1	MEAN
50.0	MEDIAN

DESCRIBE YOURSELF AS . . . n=1000

26%	Single (never married)
59%	Married or living common-law
4%	Widowed
2%	Separated
6%	Divorced
2%	Prefer not to answer

EMPLOYMENT STATUS n=1000

64%	NET - EMPLOYED
58%	Employed full-time
6%	Employed part-time
1%	Unemployed
1%	Home-maker
1%	Student
29%	Retired
2%	Other
1%	Prefer not to answer

HOUSEHOLD INCOME n=1000

20%	NET - <\$60K
1%	Less than \$20,000
6%	\$20,000 to less than \$40,000
13%	\$40,000 to less than \$60,000
26%	NET - \$60K-<\$100K
13%	\$60,000 to less than \$80,000
13%	\$80,000 to less than \$100,000
40%	NET - \$100K+
13%	\$100,000 to less than \$120,000
28%	\$120,000 or more
14%	Prefer not to answer

EDUCATION n=1000

10%	NET - HIGH SCHOOL
1%	Less than high school
9%	High school
25%	NET - COLLEGE
7%	Vocational or technical training, or CEGEP
3%	Some community college
15%	Graduated community college with a diploma or degree
64%	NET - UNIVERSITY
9%	Some university
34%	Undergraduate university degree
22%	Graduate degree
1%	Prefer not to answer

REGION n=1000

7%	NET - Atlantic
1%	Newfoundland & Labrador
<1%	Prince Edward Island
3%	New Brunswick
3%	Nova Scotia
24%	Quebec
38%	Ontario
18%	NET - Prairies
4%	Manitoba
3%	Saskatchewan
11%	Alberta
13%	NET - BC/North
13%	British Columbia
<1%	Northwest Territories

TOTAL VALUE OF INVESTMENTS n=1000

10%	NET - <\$25K
3%	Under \$5,000
6%	\$5,000 - \$24,999
30%	NET - \$25K-<\$100K
9%	\$25,000 - \$49,999
21%	\$50,000 - \$99,999
21%	\$100,000 - \$249,999
10%	\$250,000 - \$499,999
15%	\$500,000 or more
15%	Prefer not to answer

ABOUT THE RESEARCH APPROACH

- The Asking Canadians online panel screened to identify investors was used for the survey.
- In all, n=1,000 investors were surveyed proportionate to the population across the country. The survey was administered in both English and French.
- A quota was used to ensure a 50/50 gender split, men to women.
- Surveying took place between June 24, 2022 and 8 July 2022.
- In the analyses of age and of the amount invested, the mean (the sum of all responses divided by the number of responses) and median (the mid point in the distribution of responses) amounts are often shown. While there are limited differences between the mean and median in terms of age, there are often major differences between the mean and median for the amount invested. The reason for this is that there can be significant outliers in amount invested (e.g. a few investors with large amounts invested) that will skew the mean upward. It is for this reason that the median is generally the more reliable number when looking at amount invested.

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