

IFIC

THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

L'INSTITUT DES FONDS
D'INVESTISSEMENT
DU CANADA

Canadian Mutual Fund & Exchange Traded Fund Investor Survey

2022

pollara
strategic insights

Table of Contents

| | Slide |
|--|-------|
| Research Objectives | 4 |
| Research Methodology | 5 |
| Key Findings and Conclusions | 7 |
| Results in Detail | 18 |
| Attitudes Toward Investment Products and Investment Strategies | 19 |
| Investment Portfolio and Purchases | 24 |
| Assessment of Investment Advisor | 28 |
| Attitude Towards and Knowledge of Fees | 46 |
| Information Requirements and Investment Statements | 49 |
| Awareness of and Attitude toward Responsible Investments | 58 |
| Impact of COVID-19 and Inflation on Investors | 75 |

Research Objectives and Methodology

Research Objectives

- In 2022, the Investment Funds Institute of Canada (IFIC) commissioned Pollara, an independent research firm, to conduct the 17th wave of IFIC's annual survey of mutual fund investors in Canada.
- For the fourth year, the study includes Canadian exchange-traded fund (ETF) holders analyzed as a distinct group.
- The study was initiated by IFIC to better understand Canadian mutual fund holders (and now ETF holders) to identify their attitudes, opinions, needs, expectations, and behaviours and to track these over time.
- This research tracks investor attitudes and behaviours regarding mutual funds and ETFs, including:
 - Confidence in mutual funds/ETFs for meeting financial goals;
 - Methods of purchasing mutual funds/ETFs and the role of advisor in decisions;
 - Impressions regarding fees paid for mutual funds/ETFs and value for advice given by advisors, including what investors are looking for when it comes to their advisor;
 - The use, perceived value and understanding of annual fee and performance statements;
 - Changes in all measures over the course of the research program;
 - Awareness and knowledge of responsible investing; and
 - Impact of inflation and COVID-19 on investments (new addition in 2021).
- As part of this analysis, results examined investors who have \$100,000 or less in investments. In this report, they will be referred to as Modest Investors.

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 using a telephone methodology. 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. This year we conducted the survey using only an online/ web methodology.
- To allow for tracking analysis, we are showing results of this year's study compared to that of the 2021 online study. Where 2021 analysis showed methodology had little impact on results, tracking to past telephone surveys will also be shown.
- In total 4,045 surveys were conducted with mutual fund investors and 1,503 surveys were conducted with ETF investors.
- All interviews were conducted between May 31st and June 15th, 2022.
- 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.

Research Methodology

- National results from 2022 mutual fund and ETF investors are tracked against results from previous waves of research.

| Year | Interview Dates | Mutual Fund Investors | | ETF Investors | |
|-------------|--------------------------------|-----------------------|-----------------|---------------|-----------------|
| | | Sample Size | Margin of Error | Sample Size | Margin of Error |
| 2022 | May 31 to June 16, 2022 | 4045 | ±1.5% | 1503 | ±2.5% |
| 2021 | May 28 to June 23, 2021 | 676 | ±3.8% | 232 | ±6.4% |
| 2020 | May 28 to July 5, 2020 | 1,138 | ±3.1% | 500 | ±4.4% |
| 2019 | May 27 to Jun. 17, 2019 | 1,024 | ±3.1% | 500 | ±4.4% |
| 2018 | Jun. 11 to Jul. 6, 2018 | 1,000 | ±3.1% | | |
| 2017 | Jul. 11 to Jul. 25, 2017 | 1,000 | ±3.1% | | |
| 2016 | Jun. 29 to Jul. 14, 2016 | 1,000 | ±3.1% | | |
| 2015 | Jul. 20 to Aug. 10, 2015 | 1,008 | ±3.1% | | |
| 2014 | Jul. 10 to Aug. 4, 2014 | 1,002 | ±3.1% | | |
| 2013 | Jun. 23 to Jul. 7, 2013 | 1,004 | ±3.1% | | |
| 2012 | Jun. 13 to Jul. 2, 2012 | 1,000 | ±3.1% | | |
| 2011 | Jun. 10 to Jun. 24, 2011 | 1,006 | ±3.1% | | |
| 2010 | Jun. 11 to Jun. 24, 2010 | 1,002 | ±3.1% | | |
| 2009 | May 28 to Jun. 9, 2009 | 1,002 | ±3.1% | | |
| 2008 | May 29 to Jun. 17, 2008 | 1,895 | ±2.3% | | |
| 2007 | May 23 to Jun. 27, 2007 | 2,508 | ±2.0% | | |
| 2006 | Jun 15. To Jul. 11, 2006 | 1,865 | ±2.3% | | |

Key Findings and Conclusions

Key Findings

Both mutual fund and ETF investors show high levels of knowledge in their products, but confidence in all investment products has decreased, particularly for mutual fund investors.

Attitudes towards Investment Products and Strategies

- Mutual funds investors continue to be knowledgeable about these products and have more confidence in them than other investment types. However, confidence in all investments has declined, compared to last year.
 - Knowledge about mutual funds investing is consistent with last year.
 - While mutual funds investors continue to have more confidence in mutual funds than in other products, their confidence in all investments has declined this year, with the greatest decline being seen among bonds and ETFs. Confidence in digital assets is low among these investors.
- Confidence among ETF investors has remained more stable: confidence in ETFs is consistent with last year, while confidence in other products has declined only slightly. ETF investors continue to show more confidence in a variety of different products, compared to mutual funds investors, whose confidence lies with mutual funds.
 - Knowledge of investing in ETFs has increased slightly this year.
 - Confidence in ETFs remains high and consistent with last year.
 - Confidence in other products has seen only a slight decrease this year (from 3%-4%). While confidence in digital assets is low among these investors, it is higher than among mutual funds investors.

Key Findings

Mutual funds investors portfolios are less diverse this year and there is a decline in recent purchases. ETF investors' portfolios continue to be more diverse, and their recent purchases are consistent to 2021.

Investment Portfolios and Purchases

- Mutual funds investors continue to have some diversification but are relying more heavily on mutual funds than in the past. While ETF investors continue to have a more diversified portfolio than mutual fund investors, their use of ETFs has also increased.
 - The inclusion of stocks in portfolios has declined this year among both investor types.
 - Use of ETFs among mutual funds investors has also decreased.
 - ETF investors' use of mutual funds and GICs remains consistent, while their use of bonds has increased slightly.
 - Inclusion of crypto in portfolios is lower than other investment types but is higher among ETF investors.
- Recent purchases of mutual funds by mutual fund investors have declined. ETF investors are more likely to have purchased ETFs, with the past two-year purchases being consistent to last years finds.
 - Past year and two-year purchases of mutual funds have seen a significant decline this year, with only two-fifths of these investors having made a purchase in the past two years.
 - Purchases of ETFs among these investors are higher, with almost two-thirds having made a purchase in the last 2 years, consistent with 2021 findings.

Key Findings

Use of advisors has declined for both investor types, with a good proportion trying investing on their own. However, value of advisors has increased this year.

Assessment of Investment Advisor

- The use of advisors has declined among both mutual funds and ETF investors Almost half of mutual fund investors and three-quarters of ETF investors have made at least one purchase without the help of an advisor in the last year. While wanting to try it on their own and fees are most often the reasons for not using an advisor, three-in-ten of each investor type cite issues with their advisor. Those who use an advisor for some purchases are likely to continue to do so.
- Investors are satisfied with their advisors, however levels of satisfaction have declined among ETF investors. Despite this, there has been an increase in the perceived value of these advisors among both investor groups.
 - Overall satisfaction with advisors continues to be very high for both investor types.
 - The vast majority feel the advice is worth the fees, wouldn't want to invest on their own and have better savings habits, all increasing since last year. Additionally, investors (particularly mutual funds) believe they get a better return on investments and are more confident in reaching their goals because of their advisors.
 - The likelihood of discussing the suitability of investments has increased since last year.

Key Findings

While many investors measure success by return on investments some, particularly those who are most satisfied with their advisors, base it on the peace of mind they get from a trusted relationship.

Measuring Satisfaction of Advisors

- Return on investments is the most often mentioned measure of an advisor's success. However, roughly one-quarter primarily rate satisfaction on the trusted relationship/sense of security or their progress to their financial goals.
- Both mutual fund and ETF investors are satisfied with the factor they use to measure success. Satisfaction with return on investments is lowest, while satisfaction with the trust relationship is highest.
- Investors split their time with advisors between the performance of investments, reviewing their plan and the type of investments they should consider. Most are satisfied with the way their time is spent. Those who are less satisfied with their advisor say they spend less time reviewing their financial plan or progress toward their goals.

Key Findings

Advisor conversations about fees has increased since last year.

12

Knowledge of and Attitudes toward Fees

- Compared to the web findings of 2021, the likelihood of discussing each fee type has increased among both investor types, with more than four-fifths having discussed at least one and almost half discussing all three.
 - Those who express high satisfaction with their advisors are more likely to have discussed all three.

Key Findings

Satisfaction with information included in annual fee and performance statements has declined, but only slightly, this year.

Information Requirements and Investment Statements

- For both mutual funds and ETF investors, levels of satisfaction with annual statements have declined only slightly this year. The largest drop was in the statements clearly showing the fees paid, which declined by 5% in both investor groups.
- All areas of the statements have some use and importance to both investor types, with performance being ranked the most useful and important element of the statement. The fees paid is the least useful and is often ranked as the least important function of the statements.
- Most investors understand each section of the statement to some degree, but few understand it completely. Performance is the most understood element of the statement, while fees paid is the least.
- ETF investors are more likely than mutual funds investors to make a change based on information in the statement, with likelihood of doing so among both investor types increasing since last year.

Key Findings

Use of Responsible Investing is low, but there is interest in these funds for the future.

Responsible Investing

- Half of ETF investors and one-third of mutual fund investors report having some knowledge about Responsible Investing.
- Only one-fifth of mutual funds investors and one-quarter of ETF investors report having responsible investments, although some are unsure whether they do or not.
 - More than half of both investor types are interested in obtaining responsible investments in the future, although only a small percentage believe this is very likely.
 - The majority of those who have responsible investments now state it is likely they will increase their holdings.
- Investors, particularly ETF investors, report that it is somewhat easy to get information about responsible investing, but few say that it is very easy. Those with advisors get a good amount of information from these advisors and find the information somewhat easy to understand, but less than one-fifth feel they got everything they need.
 - Advisors provided more information than investors can find on their own.
- When it comes to choosing a responsible investment, holders are most likely to feel it is very important to exclude undesirable industries (particularly weapons) and the consideration of environmental issues (such as reducing waste, water usage and pollution). Social issues (particularly product safety and human rights) and governance issues are less likely to be considered important.
 - ETF investors place more importance on these issues than mutual funds investors.

Key Findings

Investors are less able to increase their savings this year, with inflation having a negative impact on investing.

Impact of inflation on Investments

- The ability to save has decreased this year compared to last, with two-fifths of mutual funds investors and one-third of ETF investors report saving less than in the past. Those who have saved are more likely to be putting this money into investments, rather than making purchases or paying off debt, similar to last year.
- Inflation is currently impacting the amount that is going into investing and this is expected to continue for the next year. Those who are maintaining their investments will be making changes to their budgets or will be investing past COVID savings.
 - Mutual funds investors have been hit slightly harder than ETF investors, with half saying they are decreasing their investments due to inflation, compared to two-fifths of ETF investors.
 - Modest investors, who are not knowledgeable and are not satisfied with their advisors are most likely to be decreasing investments.

Conclusions – Mutual funds Investors

- The current economic climate has taken a toll on the confidence of mutual funds investors, with confidence in all investment products declining. While confidence in mutual funds is still higher than other products and makes up a larger portion of portfolios than in the past, recent purchases of mutual funds have declined. In addition, the ability to save has declined this year and inflation is having an impact on the level of investing now and is expected to into the future.
- While mutual funds investors continue to rely on advisors, the use of advisors has decreased this year, with almost half of the mutual funds investors making at least one purchase without an advisor. Despite this, the perceived value of advice has increased this year and a majority feel they are more successful when using an advisor. Those who self-direct investments along with using an advisor are likely to continue doing so: not giving up on their advisor completely, but not going back to being solely dependent on them.
- Despite a small decrease in overall satisfaction since 2021, satisfaction with advisors remains high across all measures. Investors believe advisors are worth the fees and encourage better investment habits. In addition, investors credit advisors with a better return on investments and bringing them closer to financial goals. A majority would not want to handle investments entirely on their own.
- Mutual funds investors continue to be satisfied with their annual fee and performance statements and consider all aspects of them to be useful and important. That said, performance achieved is the area considered of most importance to investors, and fees paid, the area of least importance.
- Mutual funds investors are aware of responsible investing although few have these products in their portfolio. As well, few report that advisors are discussing responsible investing even though they are a more reliable source of information than individual research. Despite this, investors indicate that they expect to have more of these products in their portfolio in the future. Those with responsible investments in their portfolio are most likely to consider exclusion of undesirable industries or environmental causes when choosing their investments.

Conclusions – ETF Investors

- ETF investors appear better able to weather the economic storm this year. While confidence in some investment products has declined, confidence in ETFs has remained steady. Recent purchases of ETFs is higher than that of mutual funds among mutual fund investors and, again, remains similar to last year. While inflation is also having a negative impact on investing among this group, this impact is less substantial than among mutual funds investors.
- ETF investors continue to be less likely to use an advisor than mutual funds investors and compared to last year. Three-quarters of ETF investors have made a least one purchase without the use of an advisor. While overall satisfaction with advisors has declined, the perceived value of their advice has increased, with the majority who use them feeling they are more successful. As with mutual funds investors, ETF investors measure satisfaction in a number of ways, with those who are most satisfied valuing a trusted relationship.
- While overall satisfaction with annual fee and performance statements has declined this year, those feeling most positively about the statements have increased. As with mutual funds investors, these investors find all aspects of the statements to be important and useful, with performance being rated most important and fees being rated least important. ETF investors are most likely to make a change based on these statements.
- While knowledge and use of responsible investing is not high, it is stronger among ETF investors than mutual funds investors. ETF investors feel they have more information about Responsible Investing and report a higher level of understanding. As with mutual funds investors, their priority is on the exclusion of undesirable industries and environmental issues, with these investors feeling more strongly than mutual fund investors.

Results in Detail

pollara
strategic insights

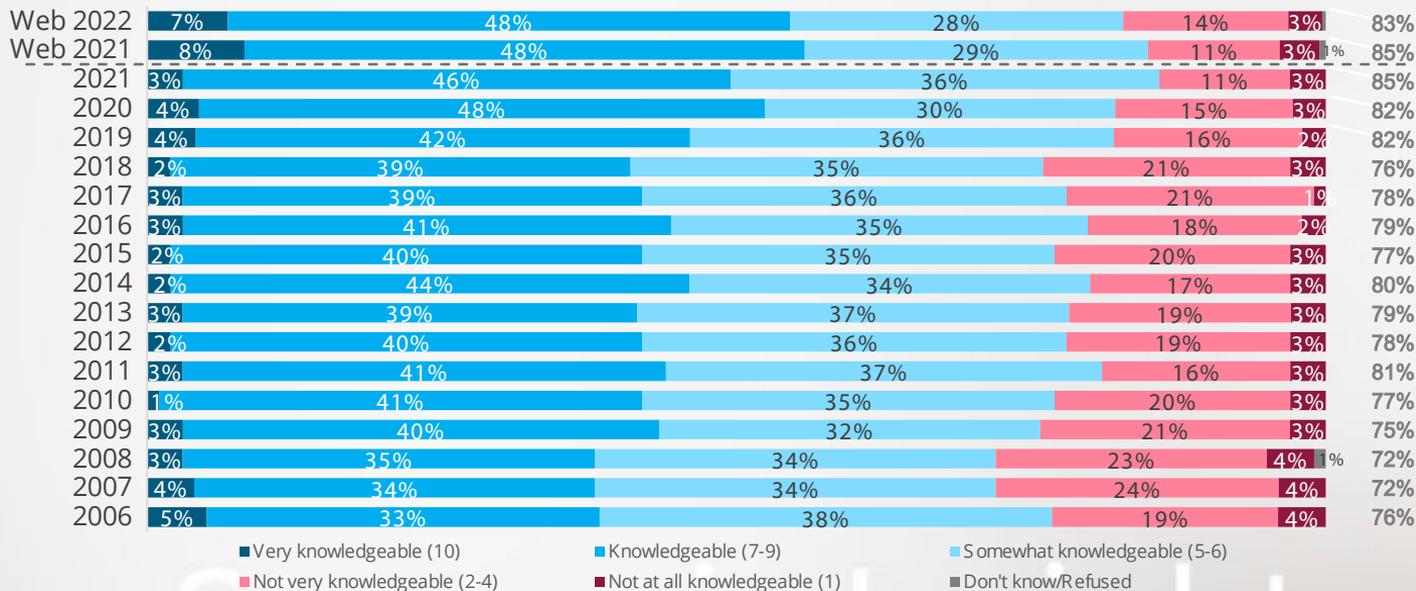
Attitude Towards Investment Products and Strategies

Knowledge about Investing in Mutual Funds

Knowledge about mutual funds has remained consistent among mutual funds investors since last year



- The majority of mutual funds investors believe they are somewhat to very knowledgeable about these investments, a finding consistent with 2021 results.
- Half of investors say they are knowledgeable (54% rated 7 out of 10 or higher), just slightly lower than last year's web findings (56%).
- While modest investors are less knowledgeable, still 78% consider themselves to be at least somewhat knowledgeable, with 47% saying they are knowledgeable.
- **Profile of knowledgeable investors:** Males; investors with higher household incomes.



Total % Knowledgeable (5-10)

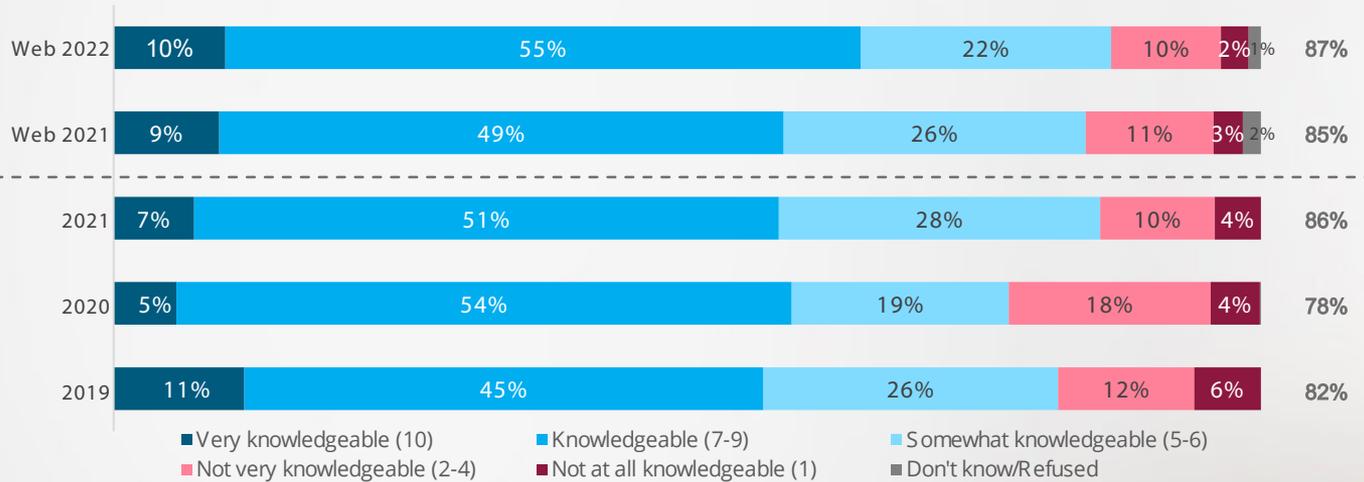


Q1. Overall, using a scale from 1 to 10 where 1 means you are 'not at all knowledgeable' and 10 means you are 'very knowledgeable', how knowledgeable would you say you are about investing in mutual funds? Base: Web 2022 MF N=4045

Knowledge About Investing in ETFs

Knowledge about ETF's is consistent since last year and similar to knowledge about Mutual Funds

- More than four fifths (87%) of ETF investors feel somewhat to very knowledgeable about ETFs, similar to last year's web findings (85%). Of these, two-thirds are knowledgeable (65% rated 7 out of 10 or higher), up from 58% who felt the same last year.
- Regardless of how much in ETF investments they hold, all ETF investors are at least somewhat knowledgeable (84% of those with less than \$100,000, 90% over \$100,00) but those with fewer investments are less likely to rate their knowledge at least 7 (under \$100,000 58%, over \$100,000 70%).
- **Profile of knowledgeable investors:** Younger, males, those with a higher household income.

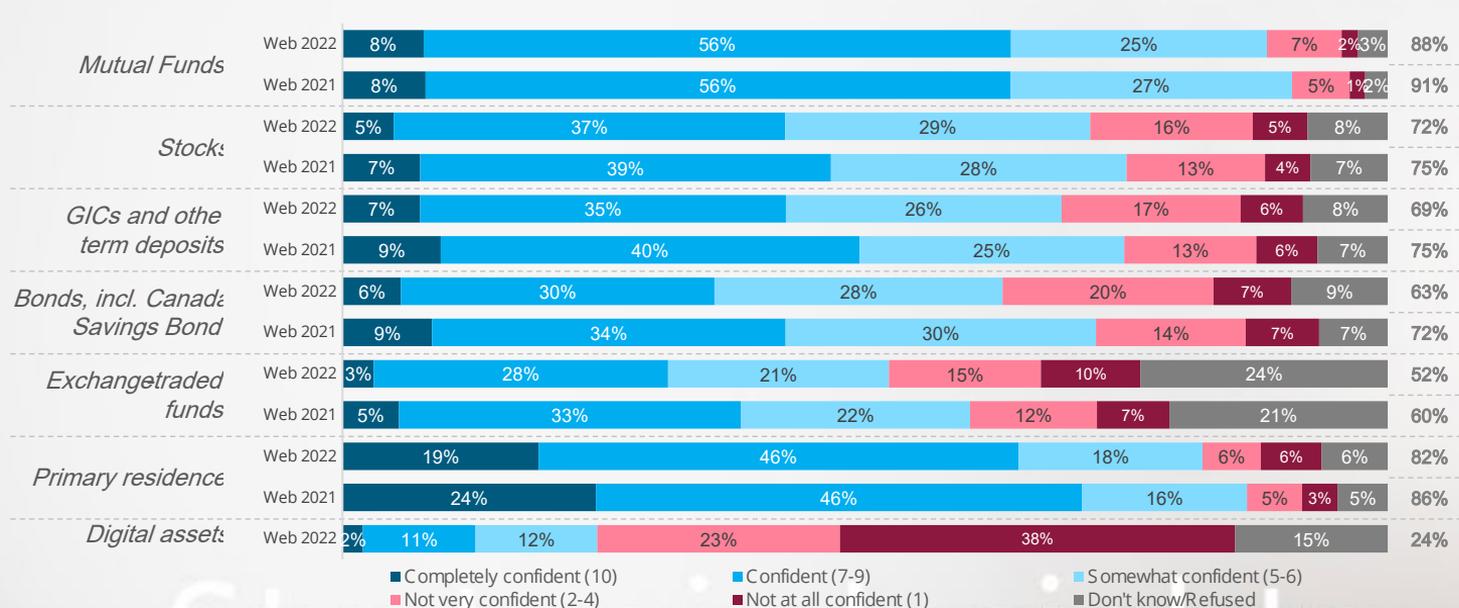


Total % Knowledgeable (5-10)

Confidence That Investments Will Meet Financial Goals

Mutual funds investors' confidence in investment products has declined across all products since last year 22

- Mutual funds investors continue to feel most confident in reaching financial goals through mutual funds rather than other types of investments (88% of investors in 2022), down slightly from the previous year (2021 91%).
- The decline in confidence was greater in other investment types, particularly bonds (-9) and ETFs (-8), but also GICs (-6) and stocks (-3).
- Digital assets (asked for the first time this year) achieved the lowest confidence at only 24%.
- While modest mutual funds investors feel less confident in their mutual funds (85% vs. 92% of those with over \$100K), they are more confident with these funds than other products.



Total % Confident (5-10)

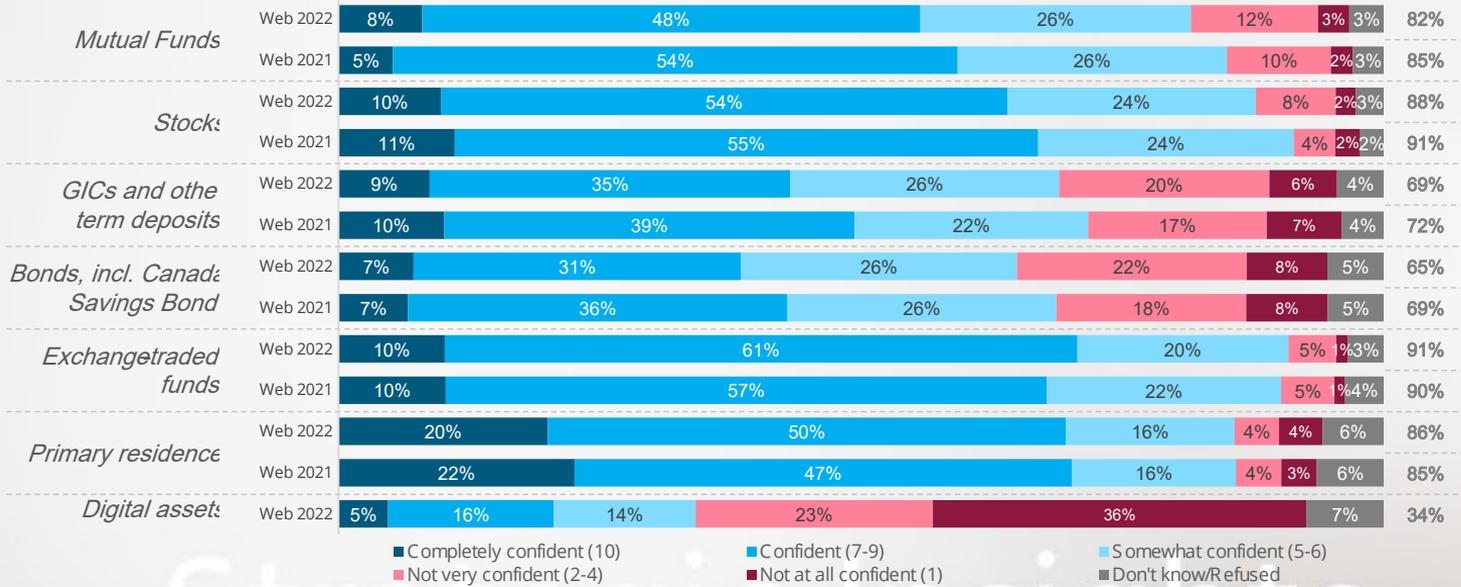
■ Completely confident (10)
 ■ Confident (7-9)
 ■ Somewhat confident (5-6)

■ Not very confident (2-4)
 ■ Not at all confident (1)
 ■ Don't know/Refused

Confidence that Investments will meet Financial Goals

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

- Nine-in-ten (91%) ETF investors feel confident in ETFs, similar to last year's findings (90%).
- More than eight -in-ten are also confident in mutual funds (82%) and stocks (88%) but confidence in these investments have declined by 3 points this year. Confidence in GICs (69% -3) and bonds (65% -4) have declined at a similar rate.
- While confidence in digital assets is low, it is higher than seen among mutual funds investors (34% vs. 24% mutual funds investors).
- **Most confidence in ETFs:** Newer investors (started in the last 5 years) and those who have a larger portfolio.



Total % Confident (5-10)

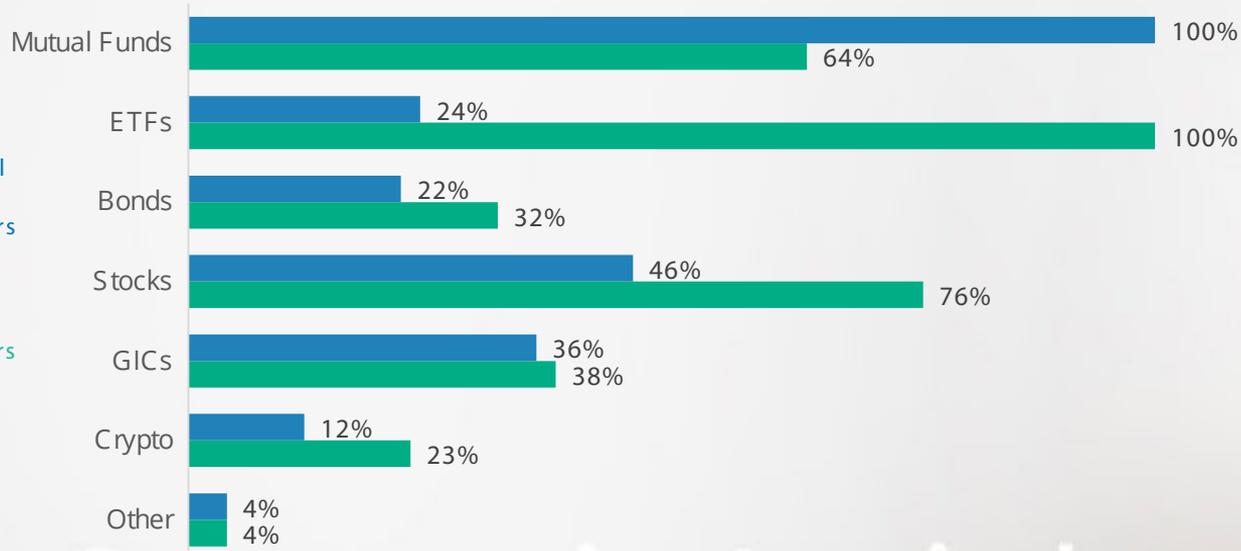
Q24-G. Using a 10 point scale, where 1 means 'not at all confident' and 10 means 'completely confident'; overall, how confident are you that each of the following investment products would help you meet your household's financial goals? Base: Web 2022 ETF N=1503

Investment Portfolios and Purchases

Investment Portfolio

While ETF investors continue to have a more diverse portfolio, this has declined for both investor types

- Less than half of mutual funds investors have any other single product in their portfolio. While stocks is the most popular alternative investment, it has seen the greatest decline (-7% to 46%), followed closely by ETFs (-6 to 24%). The use of bonds and GICs remain consistent this year.
- While stocks is also a popular choice with ETF investors, their inclusion has also seen a decline in this group (-5 to 76%). However the use of bonds has seen a slight increase (+3 to 32%) while use of mutual funds and GICs remain the same.
- Inclusion of Crypto in portfolios is less common, but more popular among ETF investors than mutual funds.



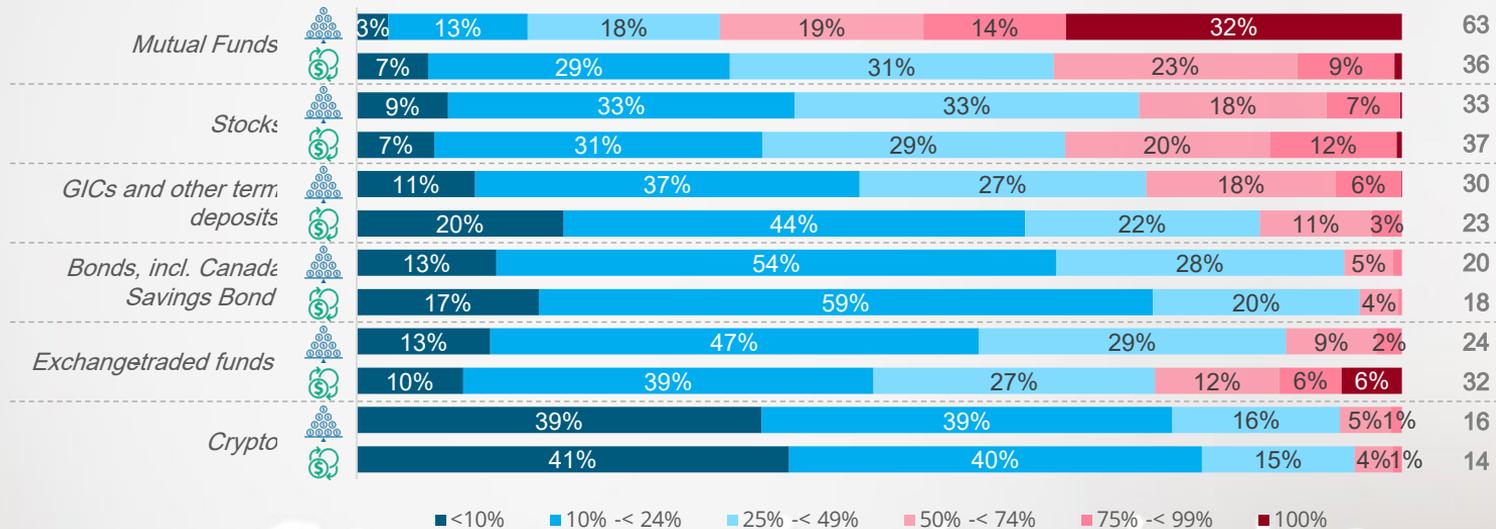
Modest investors are less likely to have a diverse portfolio with more traditional products; are more likely to be invested in Crypto than those with larger portfolios.

Composition of Investment Portfolio

Mutual funds investors are more likely to be heavily invested in their main product (mutual funds) compared to ETF investors who invest equally in several products



- Mutual funds investors are relying even more heavily on mutual funds, saying they make up an average of 63% of their portfolio, vs. 47% last year.
- In contrast, ETF investors' portfolio is made up almost equally of ETFs (32%), mutual funds (36%), stocks (37%). The proportion of the portfolio consisting of ETFs has increase from last year (+6 from 26%).



Average % of each investment in portfolio



Q8AF. You mentioned that you have more than one type of investment. What percentage of your investment portfolio is made up of... and how about... ?
 Base: Those with more than one investment type: Web 2022 MF N=varies, Web 2022 ETF

Most Recent New Fund Purchase

Recent purchases of mutual funds has declined since last year, while ETFs has remained consistent

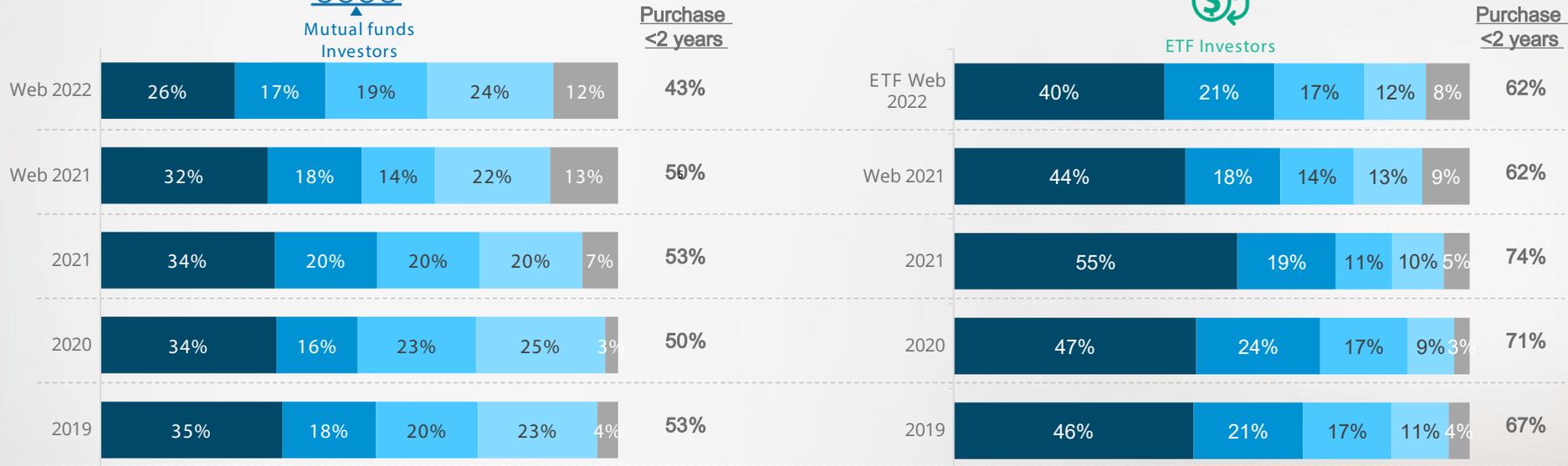
- Just over two-fifths of mutual funds investors have purchased a fund in the past 2 years. A quarter (26%) made a purchase in the past year, a decline compared to 2021 when a third (32%) of investors made a recent purchase.
- A majority of ETF investors (62%) have purchased an ETF in the past two years, consistent with last year.
- **Past Year Purchasers:** Knowledge about investing has the biggest impact on recent purchases, with those more knowledgeable being more likely to invest. Portfolio size has little to do with past year purchases.



Mutual funds Investors



ETF Investors



■ Less than 12 months ago ■ 1 to <2 years ago ■ 2 to <5 years ago ■ 5+ years ago ■ Don't know/Refused

Q9A, Q9B. When was the last time you purchased a mutual funds /ETF that you did not already own, either as part of your RRSP outside of your RRSP?
Base: Web 2022 MF N=4045, Web 2022 ETF N=1503

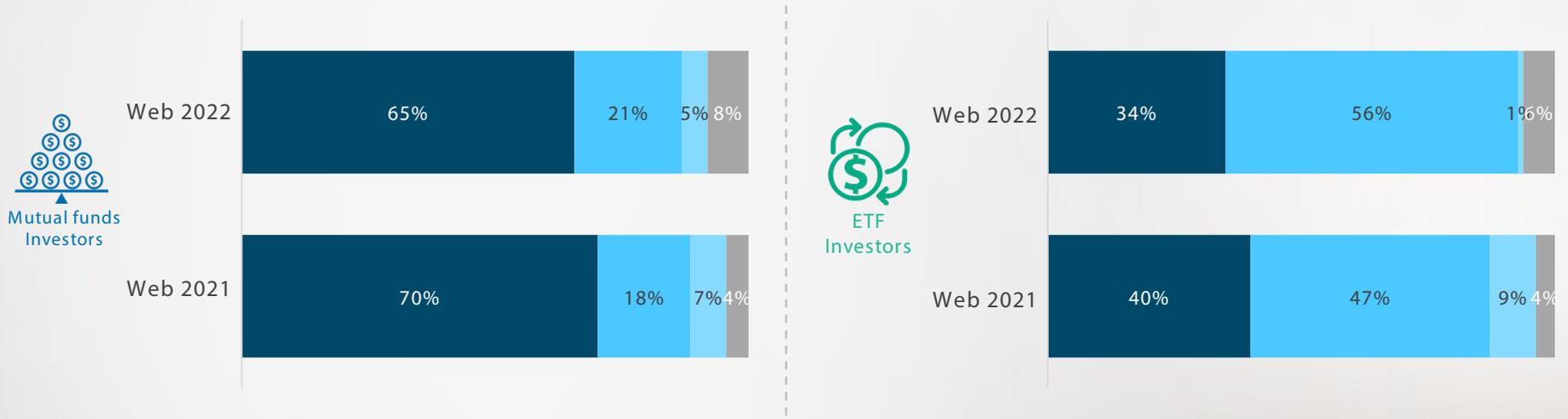
Assessments of Investment Advisor

pollara
strategic insights

Method of Most Recent Fund Purchase

Use of advisors has declined, both among mutual funds and ETF investors

- Mutual funds investors (65% use an advisor) continue to be more likely than ETF investors (only 34%) to use an advisor.
- However, this year we see a decline in the use of advisors for both mutual funds (-5%) and ETF investors (6%).
- The use of online brokerages among ETF investors has increased this year, with more than half (56%) now purchasing investments online.
- **Investor more likely to use online brokerages:** Younger investors; males; knowledgeable about investing; and well educated. Among ETF investors, online brokerage usage is higher among those new to investing.

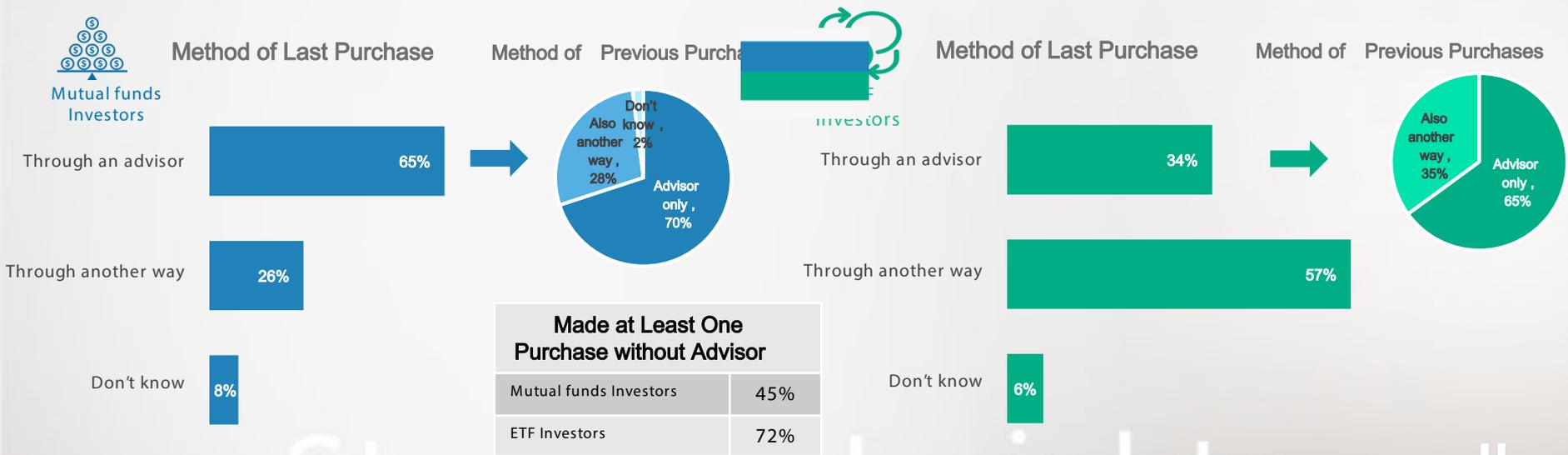


Q10B. 10. For the next few questions, I would like you to think about the last time you purchased each of the following investments. The last time you purchased this investment, did you purchase it from an advisor (that is someone who provided you with advice and guidance), through an online brokerage or direct investing or in another way. Base: Web 2022 MF N=4045 ; Web 2022 ETF N=1503

Incidence of Making at Least One Purchase without Advisor

Almost half of mutual funds purchasers have purchased investments on their own without an advisor

- Of the 65% of mutual funds investors who purchased their last investment through an advisor, most have purchased all investments in this way, with 28% of them having a mix of advisor and self-directed investments. In total, 45% of mutual funds investors have made at least one fund purchase without an advisor.
- Of the 34% ETF investors who have used an advisor for their last purchase, two-thirds (65%) have purchased all investments in this way, with 35% of them having a mix of advisor and self-directed investments. In total, 72% of ETF investors have made at least one fund purchase without an advisor.
- **Investors who purchase in multiple ways:** Younger investors, men, those who are new to investing, yet consider themselves knowledgeable.

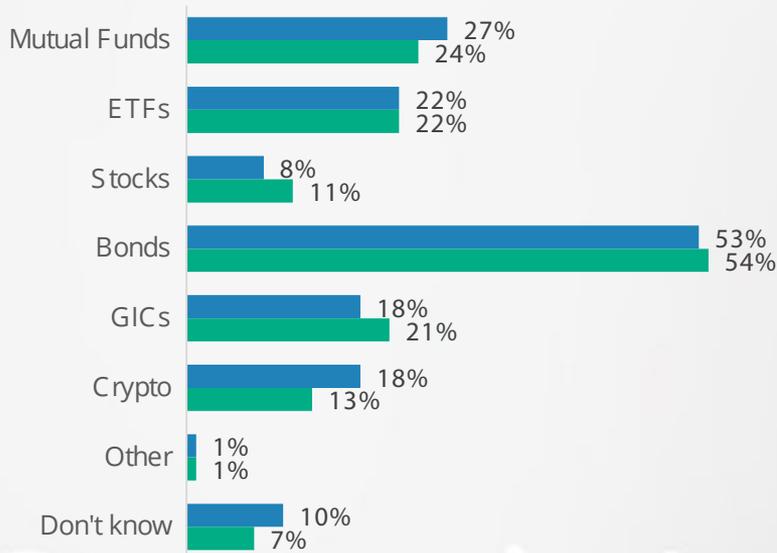


Q11. Do you have any investments in your portfolio which you purchased yourself, not through an advisor but using an online brokerage, directly or in another way?
 Base: Those who purchased from advisor Web 2022 MF N=2614, Web 2022 ETFs N=516

Investments Purchased without an Advisor

Bonds are the investment product most likely to be purchased without an advisor

- ETF and mutual funds Investors who self direct at least some investments are most likely to have purchased bonds on their own, without the help of an advisor.



Q12. What investments have you purchased yourself, not using an advisor? Please select all that you have purchased without your advisor.
Base: Investors who self directed investments and advisor purchased investments Web 2022 MF N=785, Web 2022 ETFs N=84

Strategic Insights

Reasons for Purchasing Without an Advisor

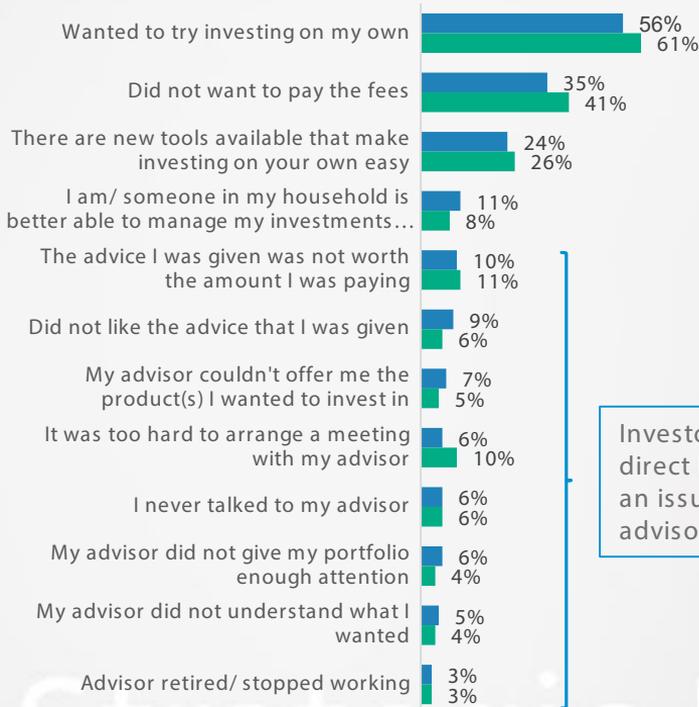
Wanting to try investing on their own and fees are the main reasons for not using an advisor



Mutual funds Investors



ETF Investors



Investors who self-direct because of an issue with the advisor

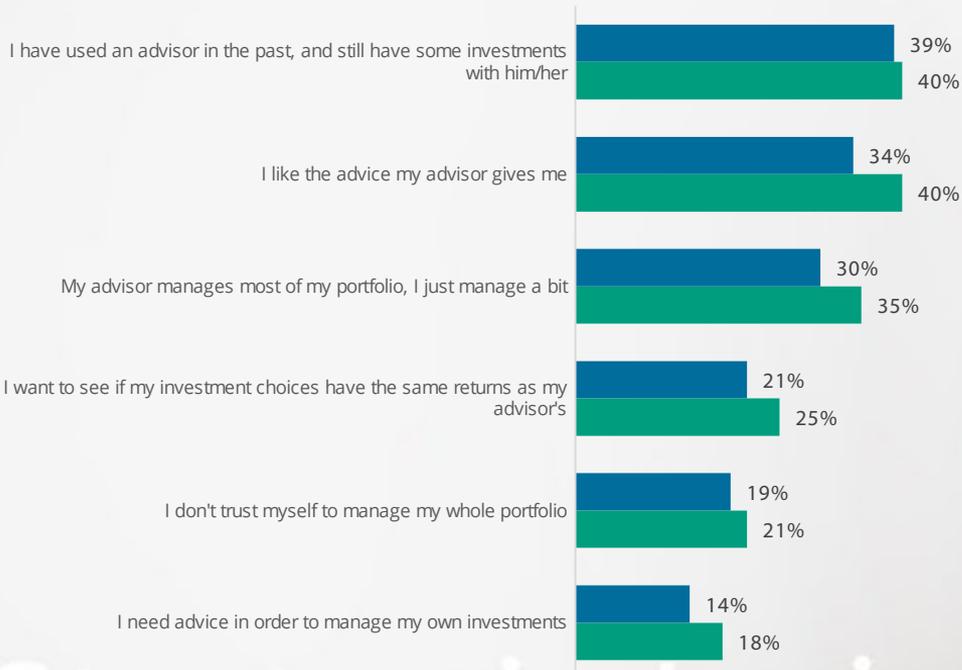
- More than half of both ETF and mutual funds investors who have made some purchases without an advisor have wanted to try it.
- Close to two-fifths did not want to pay the fees.
- One-in-three (30% mutual funds investors 27% ETF investors) mention their advisor as the reason they self-direct.

| | Mutual funds Investor | ETF Investor |
|--------------------------------|-----------------------|--------------|
| All mentions of fees | 39% | 36% |
| All mentions of advisor issues | 30% | 27% |

Reasons for Using an Advisor

Past use (habit) and appreciation of the advisor's advice are top reasons investors use an advisor

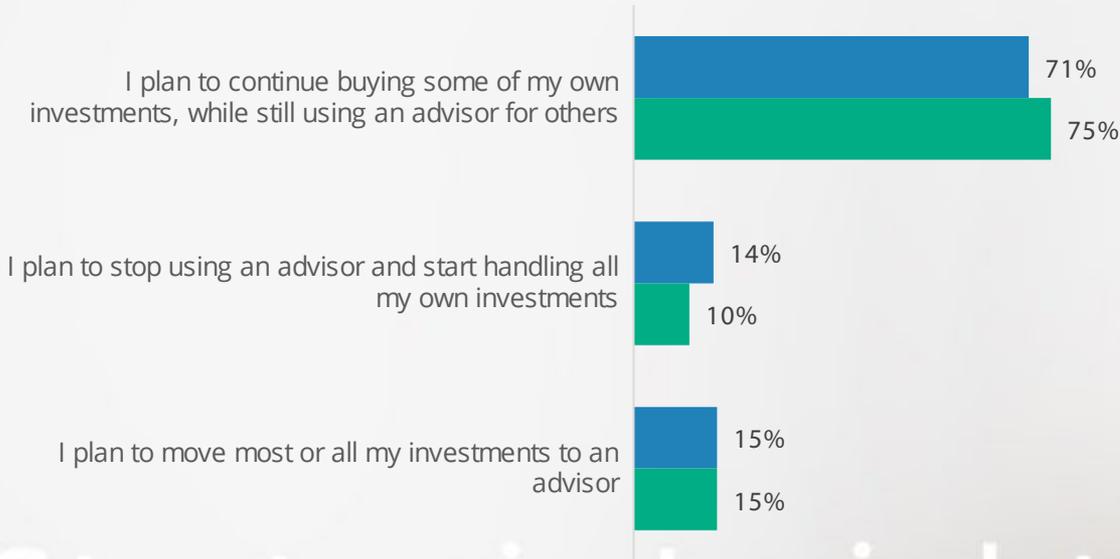
- Two-fifths of mutual funds and ETF investors that use an advisor and also purchase investments on their own still see value in their advisor, saying that they like the advice that is given, they only manage a bit or they don't trust themselves to manage it all.



Future Plans for Investment Purchases

Investors who use an advisor and self direct investments plan to continue on this course.

- Both mutual fund investors and ETF investors who are managing some of their own portfolio plan to continue doing so. One-in-ten will move away from their advisor completely while 15% will give up managing their own investments.
- **Those planning on moving away from advisor:** All groups are likely to stick with an advisor for some purchases. Those who are not tend to be younger and less educated. Among ETF investors, they are likely to have more investments, and are not necessarily new to investing.



Satisfaction with Financial Advisor

Mutual funds investors using an advisor remain satisfied.



- Just over nine-in-ten mutual investors are satisfied with their advisors – consistent with last years findings.
- **Those completely satisfied with advisors:** Older, less educated, with larger investment portfolios are more likely to be completely satisfied with their advisor.



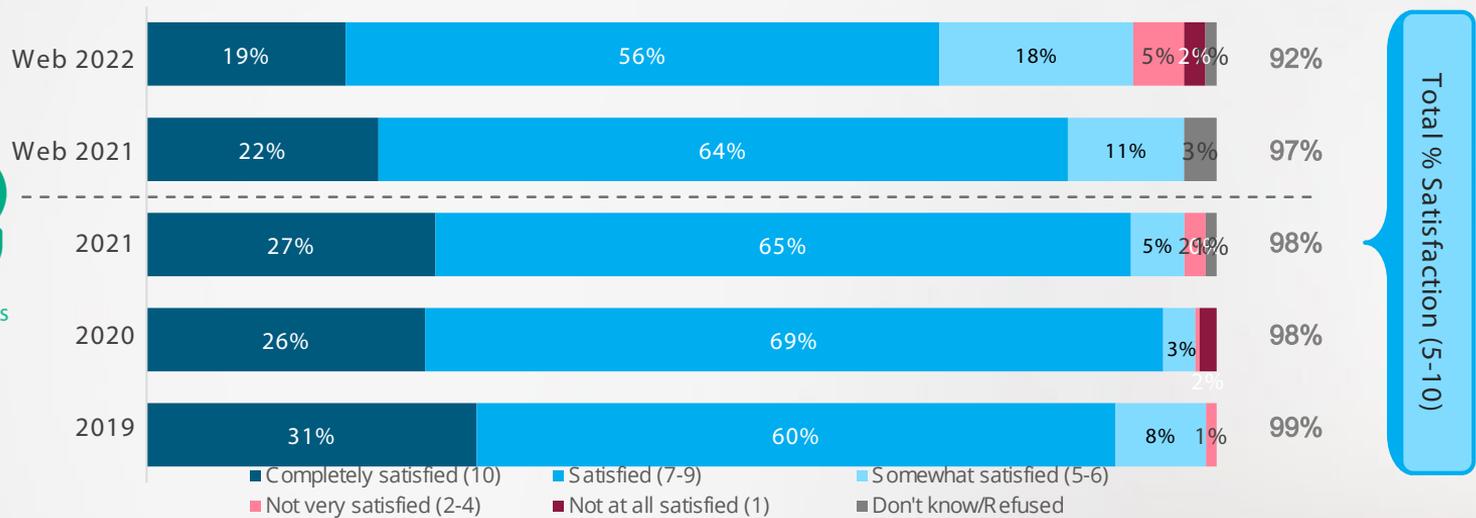
Total % Satisfaction (5-10)

Q18. I would now like to ask you about your relationship with the advisor who you buy your mutual funds from. How satisfied are you with the advice provided by your financial advisor?
 Base: Purchased mutual funds from advisor: Web 2022 MF N=3068

Satisfaction with Financial Advisor

While still high, satisfaction among ETF investors has declined since last year.

- Nine-in-ten (92%) ETF investors express satisfaction with their advisor, a drop of -5 since last year.
- **Those completely satisfied with advisors:** Older investors, those who report being less knowledgeable and those with larger investment portfolios are more likely to be completely satisfied with their advisor.



Value of Financial Advisor

After a drop in value of financial advice last year, this year results have rebounded only slightly, but are not back to 2020 levels.

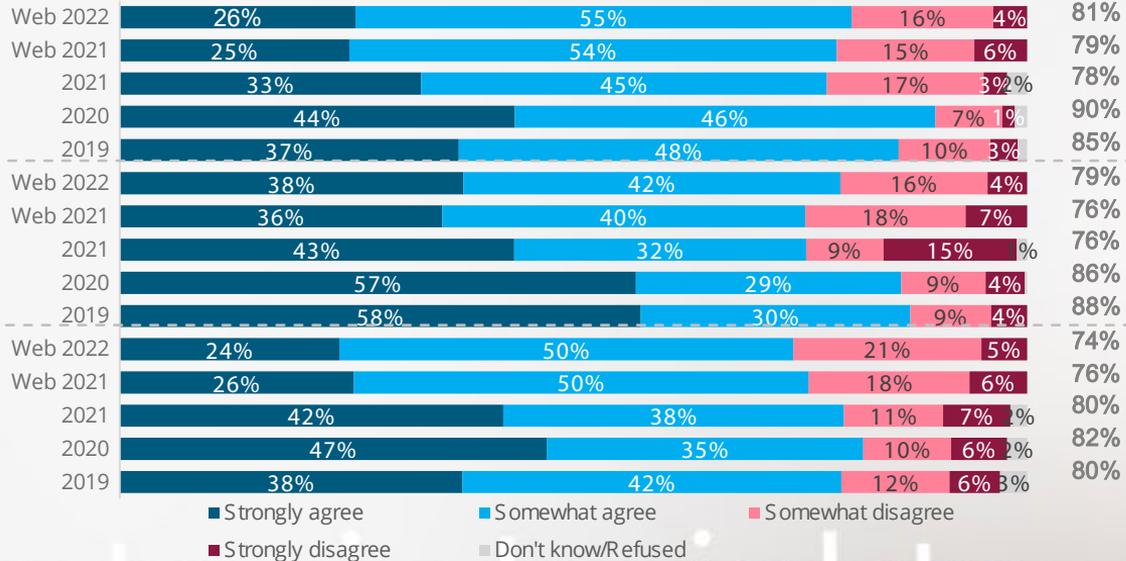
- Value placed on advisors by mutual funds investors has increased slightly since last year. Eight in 10 investors agree that advice is worth the fees and they would not want to handle investments on their own, an increase by two and three points respectively.
- Feeling that advisors help encourage better savings habits saw a slight decline (-2).
- **Those who see value in advice:** Older investors with larger portfolios are more likely to see value in advice.



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

Majority of mutual funds investors feel advisors make their investments more successful.



- Four-fifths at least somewhat agree they get better returns and are more confident they will reach their goal when they use an advisor, with one-third saying they strongly agree with these sentiments.
- **Those who feel they are more successful** : Older investors and those with a larger portfolio are more likely to feel they will be successful with an advisor.

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

Web 2022



80%

Total % in Agreement

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

Web 2022



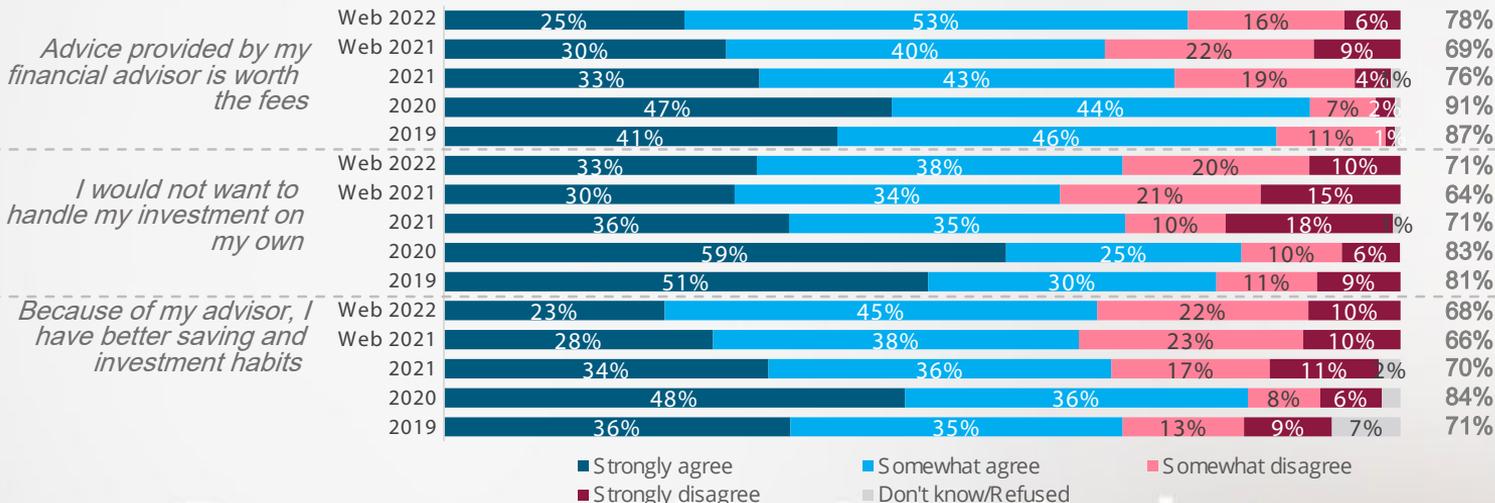
84%

■ Strongly agree
 ■ Somewhat agree
 ■ Somewhat disagree
■ Strongly disagree
 ■ Don't know/Refused

Value of Financial Advisor

ETF investors do not feel quite as positively about the value of advice compared to mutual funds investors, but it has increased since last year.

- When compared to last year, there has been an increase in ETF investors who feel the advice is worth the fees (+9) and that they wouldn't want to handle investments on their own (+7). Advisors providing better savings habit has increased only slightly (+2).
- Older investors with larger portfolios are more likely to see the value in this advice.



Total % in Agreement

Value of Financial Advisor

While ETF investors believe advisors help them with their success, this is felt less strongly than among mutual funds investors.

- Three-quarters of ETF investors believe they get better returns and they are more confident when using an advisor. This compares to four-fifths of mutual funds investors who feel the same.
- **Those who feel they are more successful** : Older investors, those new to investing and those with larger portfolios are more likely to feel the use of an advisor will make them more successful



ETF Investors

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



73%

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



78%

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree
■ Strongly disagree ■ Don't know/Refused

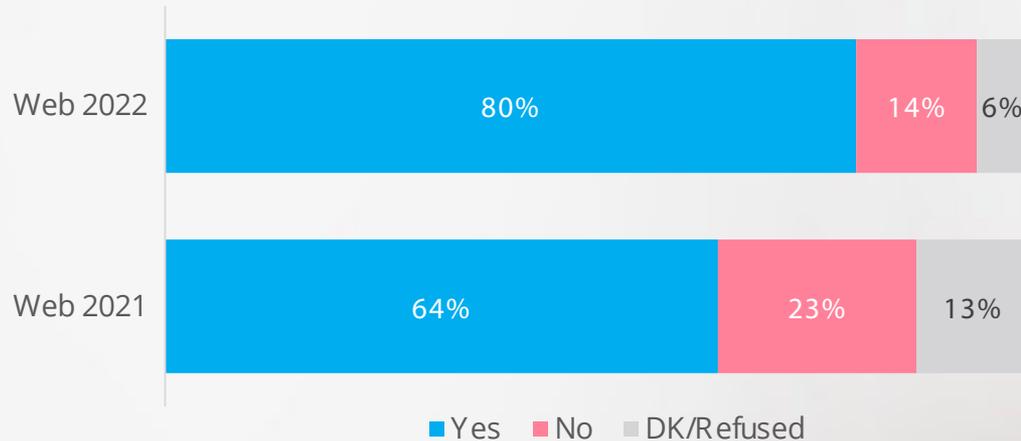
Total % in Agreement

Whether Advisors Discussed Suitability

The likelihood of discussing investment suitability with advisors has increased significantly this year



- The likelihood of advisors discussing suitability of investments increased significantly among mutual funds investors, with four-fifths saying they have had this conversation.
- **Profile of investors discussing suitability:** Older (65+); larger portfolio; long-term investors; and high level of satisfaction with their advisor.



Strategic Insights

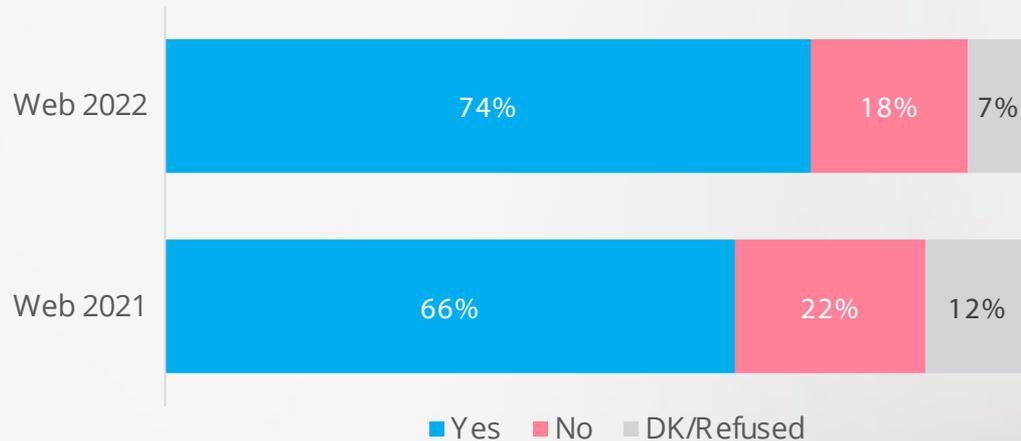
Q17A. Thinking back to the last time you invested in mutual funds, did your advisor discuss how well suited that mutual fund is for reaching your investment objectives? Base: Purchased mutual funds from advisor Web 2022 MF N=3068

Whether Advisors Discussed Suitability

The likelihood of discussing suitability of investments has also increased among ETF investors, but has not hit the same level as mutual funds investors.



- Three-quarters of ETF investors have discussed investment sustainability with their advisors. While this is lower than seen among mutual funds investors, it is a significant increase since last year.
- **Profile of investors discussing suitability:** Older investors who have a larger portfolio and have been investing for a long time. Those who are more satisfied with their advisor are also more likely to report having had this discussion.



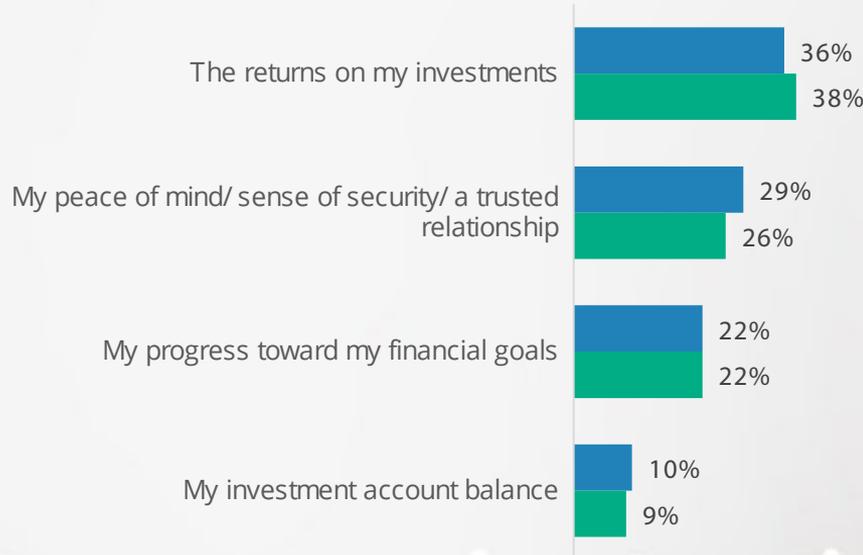
Strategic Insights

Q17A. Thinking back to the last time you invested in ETFs, did your advisor: Discuss how well suited that mutual funds is for reaching your investment objectives?
Base: Purchased ETFs from advisor Web 2022 ETF N=894. All results significant - Details in the notes

Measuring Satisfaction with Advisor

While returns on investments are a primary driver of satisfaction, investors are also looking for a trusted relationship and progress toward goals.

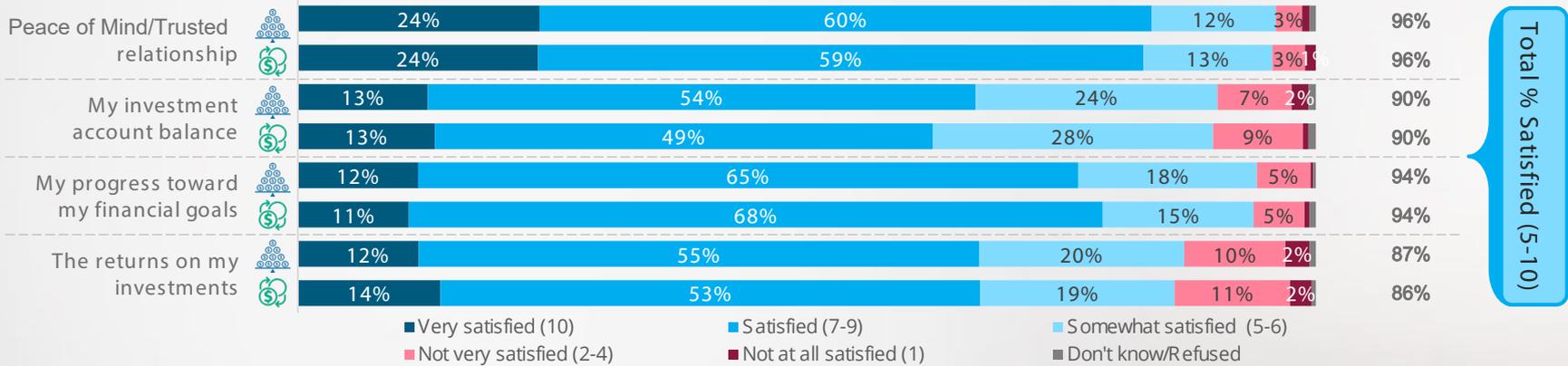
- Both mutual funds and ETF investors feel the same, putting return on investments as highest priority, followed by a sense of security and progress toward goals.
- **Values trusted relationship:** Younger; modest investors (particularly among mutual funds investors); those in Quebec; and those with a high level of satisfaction with their advisor.



Satisfaction with Primary Measure

Most investors are satisfied with their advisor on the key issue of importance to them

- Investors who measure satisfaction by the returns or progress towards financial goals are overall satisfied with the results they get from their advisor. However, only one-in-ten are very satisfied.
- Those who measure satisfaction by the sense of security this relationship gives are more likely to be satisfied with their relationship overall, and are more likely to be very satisfied (24% for both investor types).
- Satisfaction with return on investments is lower than other measures.



Q20. And how satisfied are you with your advisor specifically on that measure?
 Base: Those who purchased investments through an advisor Web 2022 MF N=varies, Web 2022 ETFs N=varies

How Time Is and Should be Spent

Advisor meetings most likely to be spent discussing performance, types of investment and plan review. Most are satisfied with this priority

- On average, investors say one-fifth of advisor meetings are spent on each of performance, types of investments and reviewing plan, with ETF investors spending slightly more time on performance and slightly less on plan review.
- The majority of investors feel the right amount of time is being spent on all topics at advisor meetings.
- **Those who are less satisfied with the Advisor:** Want to spend more time on all factors, with the exception of personal matters.



| | | How Meeting are Spent (% of meeting time) | How Wish Spent Time | How Meeting are Spent (% of meeting time) | How Wish Spent Time |
|--|-------|--|---------------------|--|---------------------|
| Performance of your investments | 22.8% | 28% 7% 60% 5% | 24.1% | 26% 9% 60% 4% | |
| Type of investments you have or should consider | 19.3% | 26% 7% 60% 7% | 20.4% | 26% 10% 59% 6% | |
| Review your investment goals/investment plan | 19.3% | 24% 8% 62% 6% | 17.4% | 23% 11% 61% 5% | |
| How you are progressing toward your financial goals | 15.5% | 24% 8% 62% 6% | 14.8% | 23% 10% 62% 6% | |
| Current market and economic trends | 14.0% | 23% 10% 60% 7% | 14.9% | 25% 12% 59% 5% | |
| Personal matters (non-financial) | 9.2% | 8% 17% 65% 9% | 9.4% | 10% 18% 64% 8% | |
| How to provide financial support to others in family | 6.5% | 13% 11% 62% 13% | 6.1% | 14% 13% 62% 11% | |

- Would like to spend more time
- Would like to spend less time
- Currently spend the right amount of time
- Don't know



Q22. When you connect with your advisor, what is the percentage of time you spend on each of the following areas? Q23. Are the areas that you wished you spent more or less time on? Base Purchased Investments Through An Advisor: Web 2022 MF N=3068, Web 2022 ETF N=894

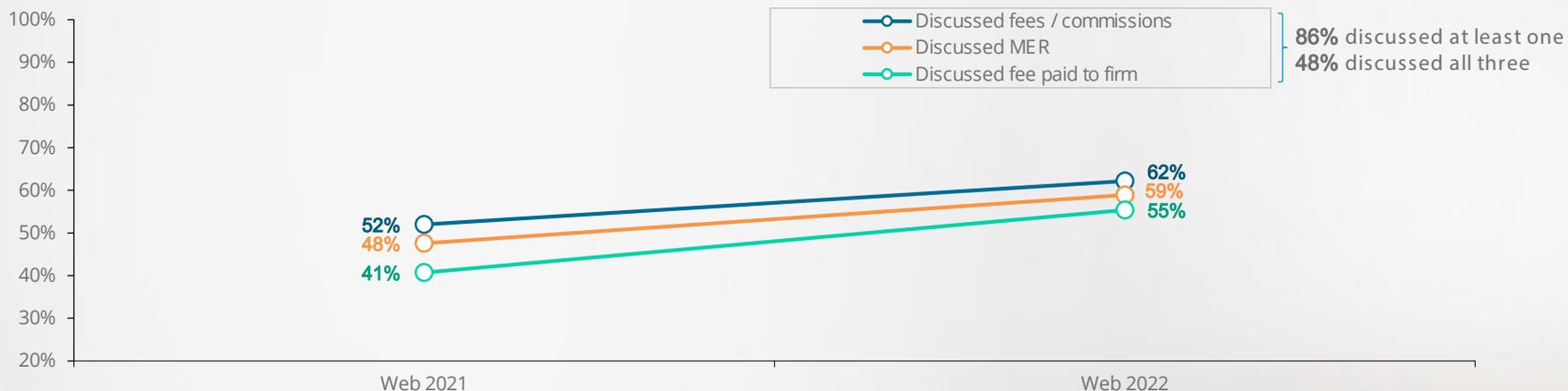
Attitudes Towards and Knowledge of Fees

Discussion of Compensation/Fees/MER with Advisor

Likelihood of advisors discussing fees has increased since last year



- Most (86%) mutual funds investors purchasing from an advisor report that advisors have discussed at least one aspect of fees, with almost half (48%) report having discussed all three.
- Advisors are most likely to discuss fees/commissions (62%) and less likely to discuss fees paid to the firm (55%). Discussions of all three have increased since last year.
- **Those who had discussions on fees:** Those who are knowledgeable about investments are likely to report having these conversations. Additionally, talking about all three is more common among those who are satisfied with their advisors. In fact, one-third of those who are not satisfied with their advisors say they have not discussed fees at all.



Q17B/C/D. Thinking back to the last time you invested in mutual funds, did your advisor: Discuss whether or not you will be charged any fees when buying or selling your mutual funds/ETF/mutual funds or ETF. This can be called a front-end or back-end load or a trading fee? Discuss the fee the mutual funds/ETF/mutual funds or ETF company receives for managing, distributing and administering the fund, also known as the Management Expense Ratio or the MER. Discuss the fee paid to the firm where your advisor works? Base: Purchased mutual funds from advisor: Web 2022 MF N=3068

Discussion of Compensation/Fees/MER with Advisor

Discussions about fees have also increased among ETF investors this year.



- Most (82%) ETF investors using an advisor report that advisors discussed at least one aspect of the fees mentioned – which is similar to the findings of mutual funds investors.
- MER is the most often mentioned fee which is discussed, mentioned by a majority (61%) compared to fees/commissions (58%) and fees to the firm (55%).
- Discussions of all fees have seen a similar increase as to what was experienced among mutual funds investors.
- **Those who had discussions on fees:** Those who were more knowledgeable about investing were more likely to have these discussions. As were those who are satisfied with their advisor. Of those who were not satisfied, 40% had not discussed any of these fees.



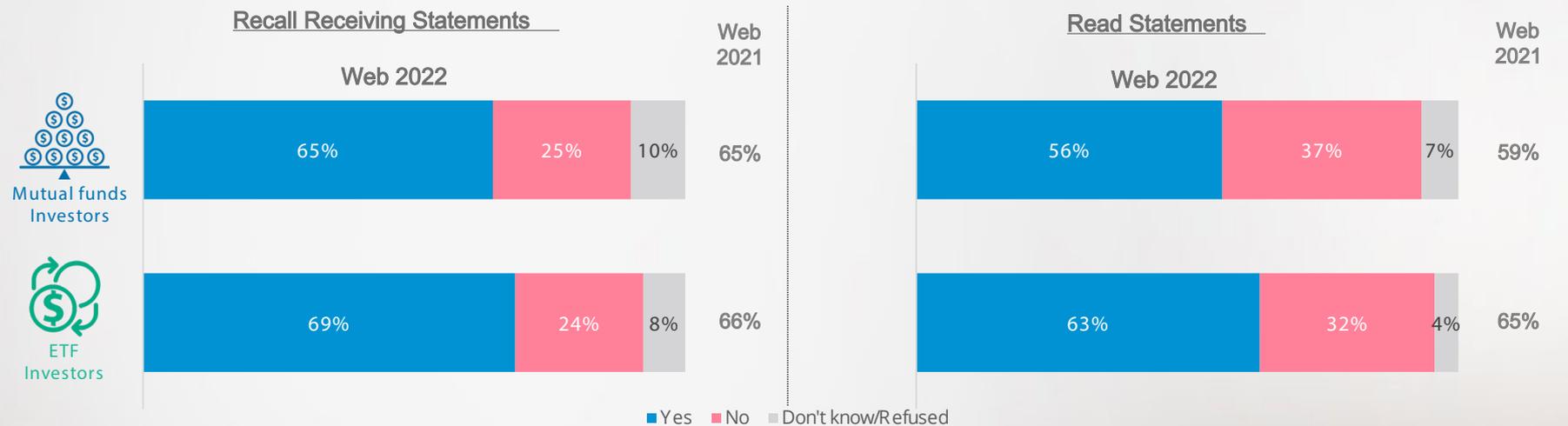
Q17B/C/D. Thinking back to the last time you invested in ETFs, did your advisor discuss whether or not you will be charged any fees when buying or selling your mutual funds/ETF/mutual funds or ETF. This can be called a front-end or back-end load or a trading fee? Discuss the fee the mutual funds/ETF/mutual funds or ETF company receives for managing, distributing and administering the fund, also known as the Management Expense Ratio or the MER? Discuss the fee paid to the firm where your advisor works? Base: Purchased mutual funds from advisor Web 2022 ETFs N=894

Information Requirements and Investment Statements

Fee and Performance (CRM2) Statement

Investors recall receiving their annual fee and performance (CRM2) statement this year with just slightly fewer reading the statements

- Two-thirds of investors remember receiving their annual statement, with ETF investors recall increasing slightly this year (+3). The incidence of reading the statement has declined slightly, but remains higher among ETF investors (63% -2) than mutual funds investors (56% -3).
- **Profile of mutual funds and ETF investors who read statements:** Those who are older, more knowledgeable, have more investments and have been investing longer.



Strategic Insights

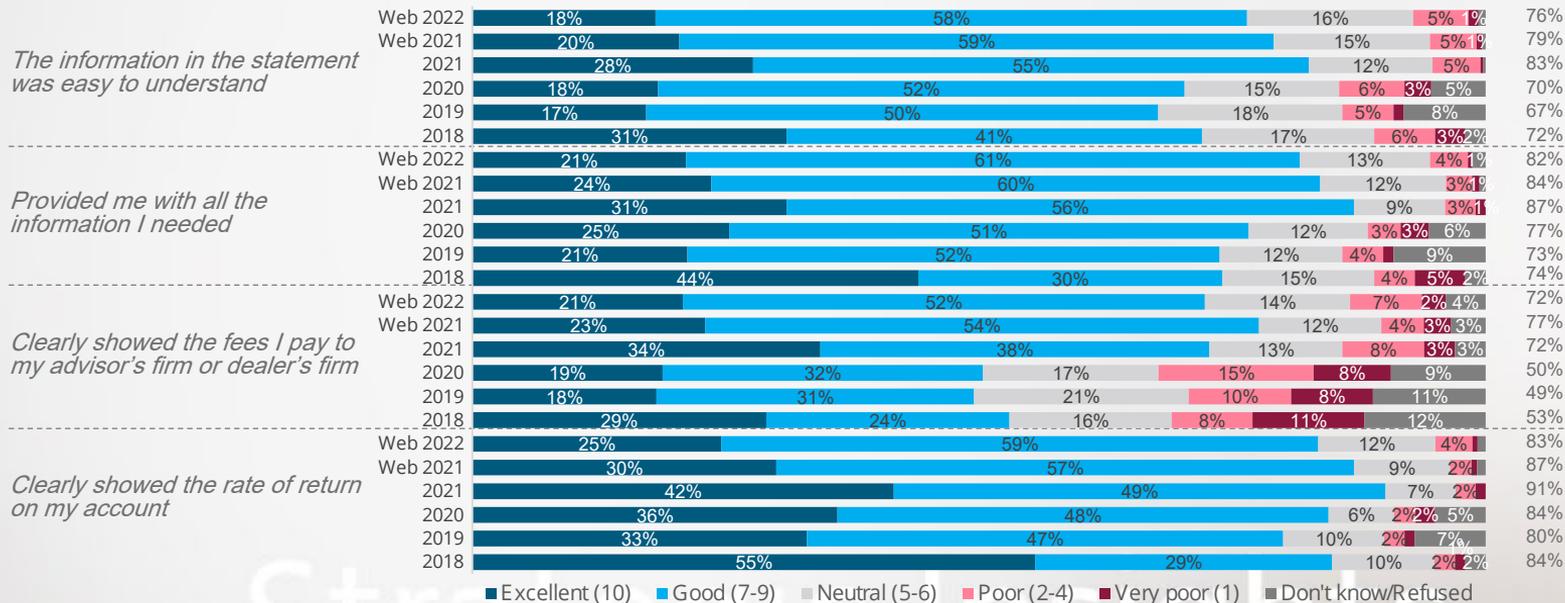
Q24. Do you recall receiving annual fees and performance statement(s) for your investments this year? Q25. Have you read the annual fees and performance statement(s) that you received for your investments this year? Base: Web 2022 MF N=4045, Web 2022 ETFs N=1503 All results significant - Details in the notes

Rating of Annual Fee and Performance Statement

Satisfaction with the statement clearly showing fees paid has increased by 19 percent since 2018



- Compared to the 2021 web results, satisfaction with statements has declined slightly this year. However, when comparing results to that of 2018, results on almost all factors have seen an increase, with satisfaction of clearly showing the fees paid increasing the most (from 53% in 2018 to 72% in 2022).
- While investors remain most satisfied with how the rate of returns is shown, this has seen a decrease this year (83% -4) and is the only factor that has seen a very small decrease since 2018 (84% -1).
- **Those most satisfied with statement:** Knowledgeable investors; older (65+); larger portfolio; and more satisfied with their advisor.



Total % Good/Excellent (5-10)



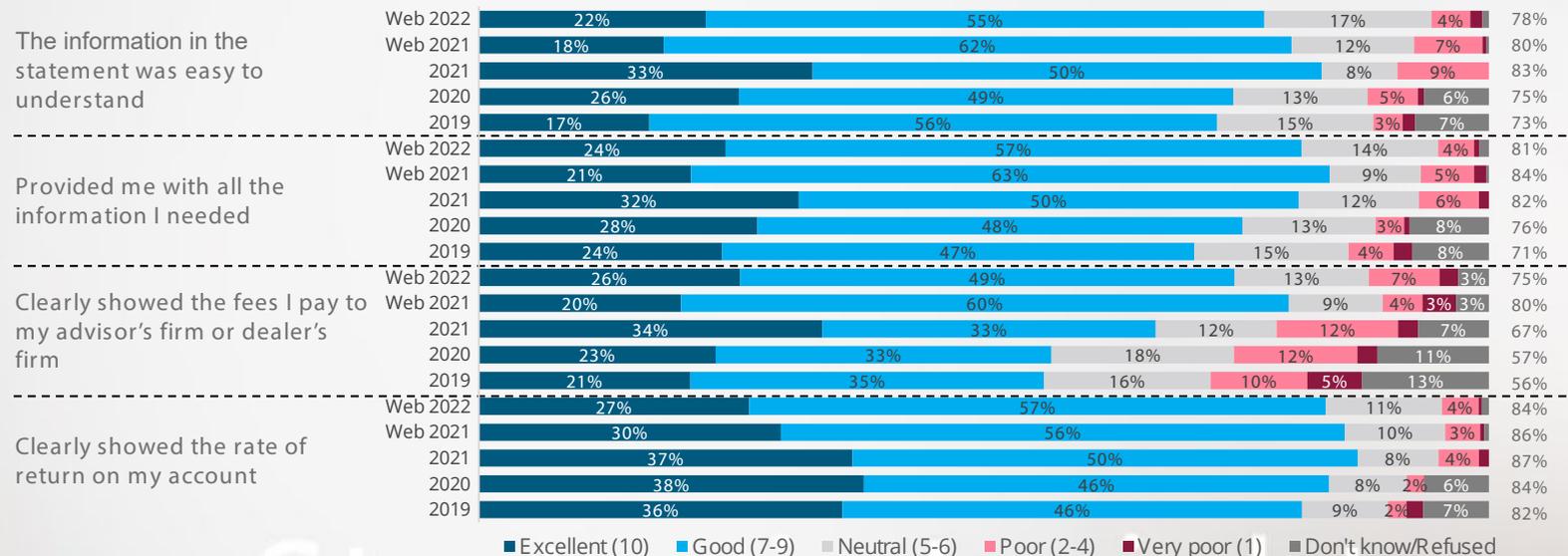
Q26A.- Q26D. Please rate the quality of the information you received in your annual fees and performance statement(s) about your investments in each of the following areas. Base: Web 2022 MF N=2266

Rating of Annual Fee and Performance Statement

Satisfaction with the statement clearly showing fees paid has increased by 19 percent since 2019



- While satisfaction with the statements ability to show the fees paid has decreased since last year (from 80% to 75%), it has increase by 19 points since 2019 (from 56%).
- Satisfaction with the information provided has also decreased slightly this year (from 84% to 81%) but has seen an increase of 10 points since 2019 (71%). A similar trend was seen with the ease of understanding information, decreasing by 2% since last year (from 80% to 78%) but seeing a 5 point increase since 2019 (from 73%).
- **Most satisfied with statement:** Knowledgeable investors; older (65+); and more satisfied with their advisor. Portfolio size among ETF investors have less impact.



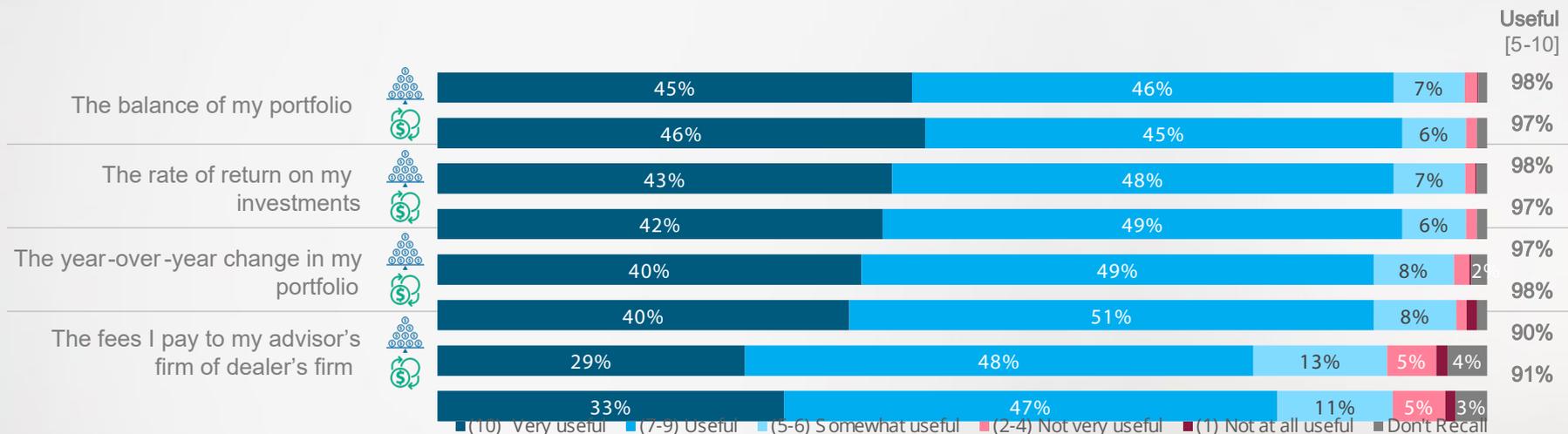
Total % Good/Excellent (5-10)

Q26A-Q26D. 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 2022 ETFs N=917

Usefulness of Statement Features

Portfolio balances, rate of returns and year-over-year changes are more useful factors of statements, compared to fees paid.

- Almost all investors find each feature of the annual statement to be at least somewhat useful. Almost half find the balance of their portfolio very useful (10), while two-fifths feel the same about the rate of return on investments and the year-over-year change in their portfolio.
- While nine-in-ten find the fees they pay to be at least somewhat useful, only one-in-three say this is very useful (10). This is the area of the statement receiving the lowest satisfaction marks.



Ranking of Importance of Statement Feature

Rate of returns is considered most important, while fees paid is considered least important

- After rating how useful each feature was, investors were asked to rank the importance of each feature.
- While the balance of their portfolio is considered to be most useful, it does not rank as most important. Instead, that goes to the rate of return on investments, with year-over-year changes considered a secondary importance.
- Fees paid is considered the least important piece of information.



| | RANKED | | | | | |
|--|--------|-----|-----|-----|---------|---------|
| | 1st | 2nd | 3rd | 4th | 1st-2nd | 1st-3rd |
| The rate of return on my investments | 49% | 30% | 16% | 4% | 79% | 96% |
| The balance of my portfolio | 31% | 27% | 28% | 14% | 58% | 86% |
| The year -over -year change in my portfolio | 16% | 30% | 36% | 18% | 47% | 82% |
| The fees I pay to my advisor's firm of dealer's firm | 4% | 13% | 19% | 64% | 17% | 36% |



■ Highest in Column Category ■ Lowest in Column Category

| | RANKED | | | | | |
|--|--------|-----|-----|-----|---------|---------|
| | 1st | 2nd | 3rd | 4th | 1st-2nd | 1st-3rd |
| The rate of return on my investments | 49% | 30% | 16% | 5% | 79% | 95% |
| The balance of my portfolio | 27% | 25% | 30% | 18% | 52% | 82% |
| The year -over -year change in my portfolio | 17% | 32% | 32% | 19% | 49% | 81% |
| The fees I pay to my advisor's firm of dealer's firm | 8% | 13% | 22% | 58% | 20% | 42% |

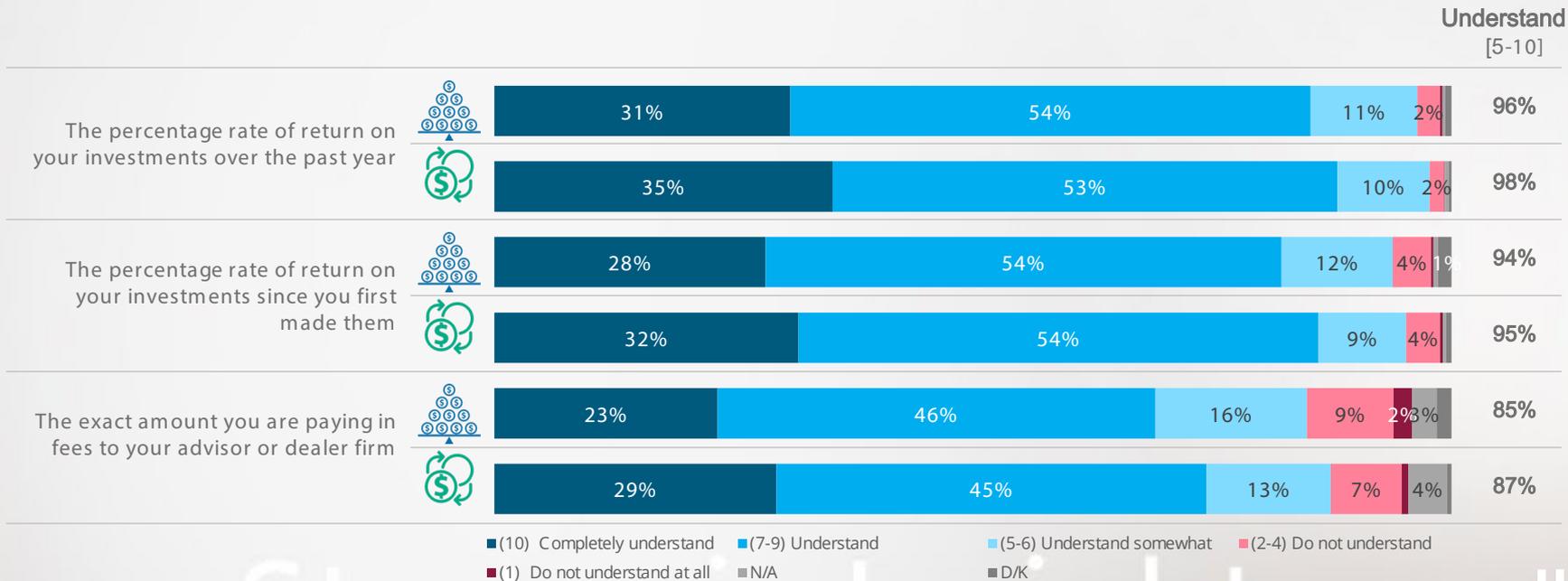


Q28. Now, please rank order the importance of each piece of information, when reviewing your annual statement.
 Base: Read Statements: Web 2022 MF N=2266; Web 2022 ETF N=917

Comprehension of Information

While investors have some understanding, fewer completely understand their statements

- Almost all investors have some understanding of the rate of returns (both annual and since inception), but just one-in-three completely understand.
- The amount of fees paid has the least amount of understanding.
- **Understand Completely:** Those who are older or have a larger portfolio are more likely to have strong knowledge of this information. Those who consider themselves knowledgeable are more likely to understand.



Q29. Based on the information contained in your statement, to what extent do you understand each of the following?
 Base: Read Statements: Web 2022 MF: N=2266; Web 2022 ETF N=917

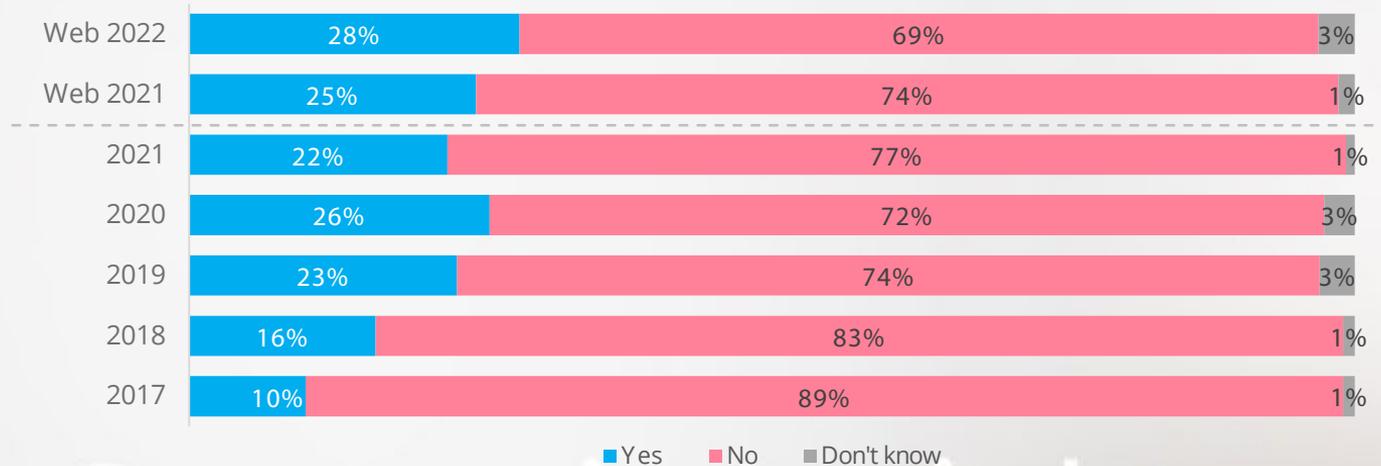
Action Taken Due to Statements

Likelihood of taking action due to the statement has increased again to an all time high



- More than a quarter of mutual funds investors have made changes due to information in statements, an increase of 3% since last year.
- **Profile of investors taking action:** Knowledgeable; younger; and new to investing.

Information Cause a Change in Action



Q30. Has this information caused you to take any action when it comes to your account? Base: those who have read their annual statement for mutual funds account this year Base: Web 2022 MF N=2266

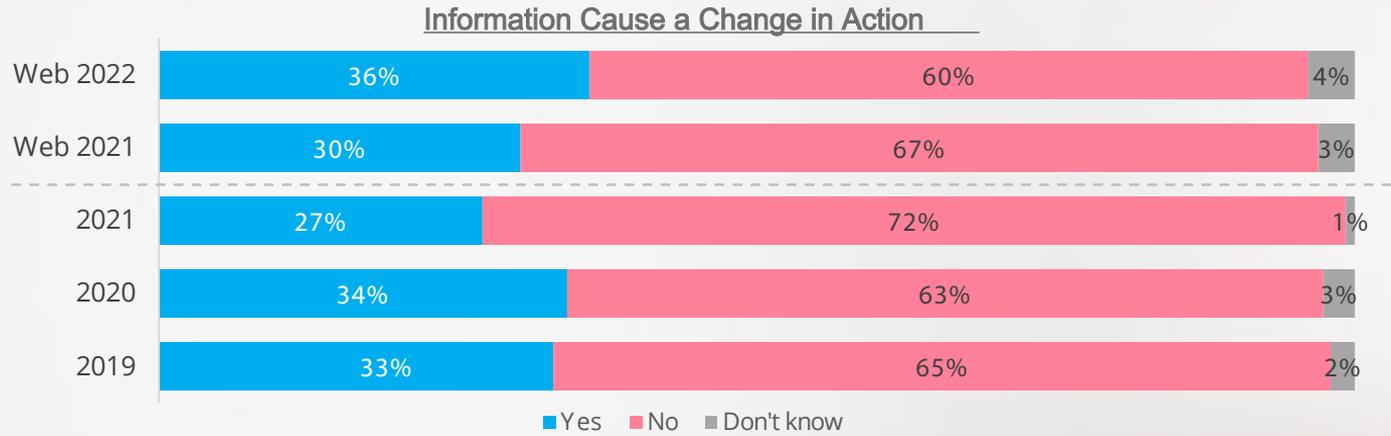
Strategic Insights

Action Taken Due to Statement

ETF investors are more likely to take action than mutual funds investors, with this increasing since last year.



- Just over one-third (36%) have taken action due to information in statements, an increase of 6% since last year.
- Profile of ETF investors taking action: Younger and knowledgeable.



Q30. Has this new information caused you to take any action when it comes to your account? Base: those who have read their annual statement for ETFs account this year - Base: Web 2022 ETF N=917

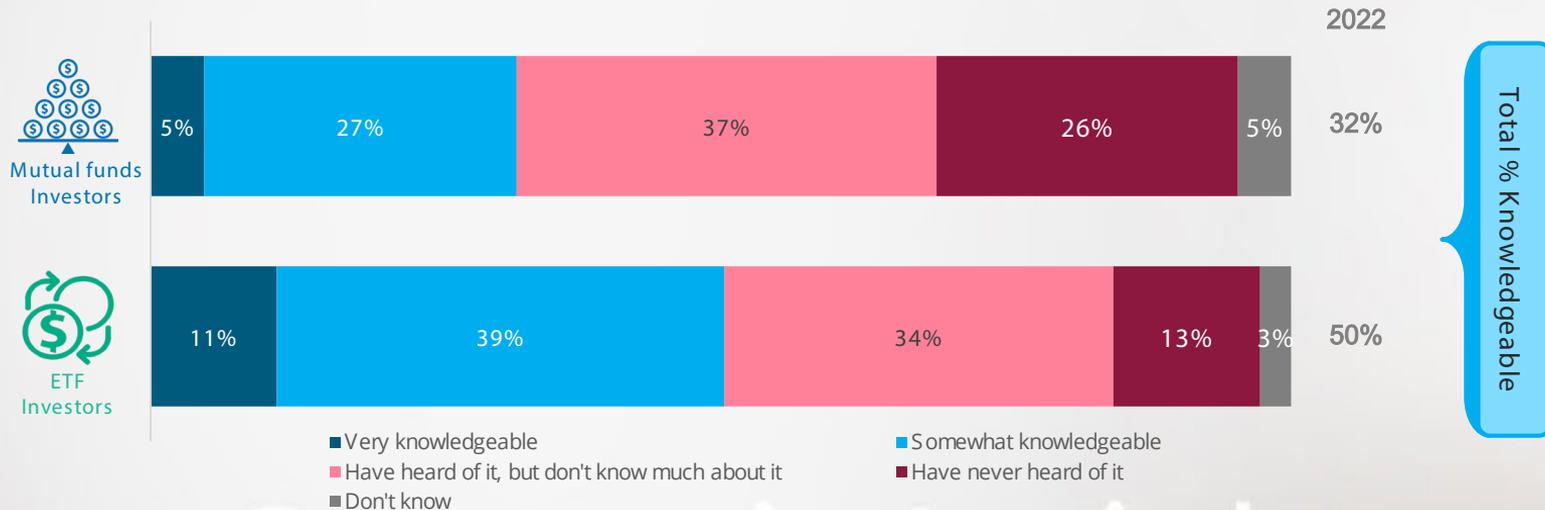
Awareness and Attitudes Toward Responsible Investments

pollara
strategic insights

Knowledge of Responsible Investing

Investors have only limited awareness of responsible investing

- ETF investors are significantly more likely to be very or somewhat knowledgeable (50%) about responsible investing compared to mutual funds investors (32%).
- Profile of knowledgeable regarding responsible investing:** Knowledgeable about investing; men; and investors with larger portfolios.



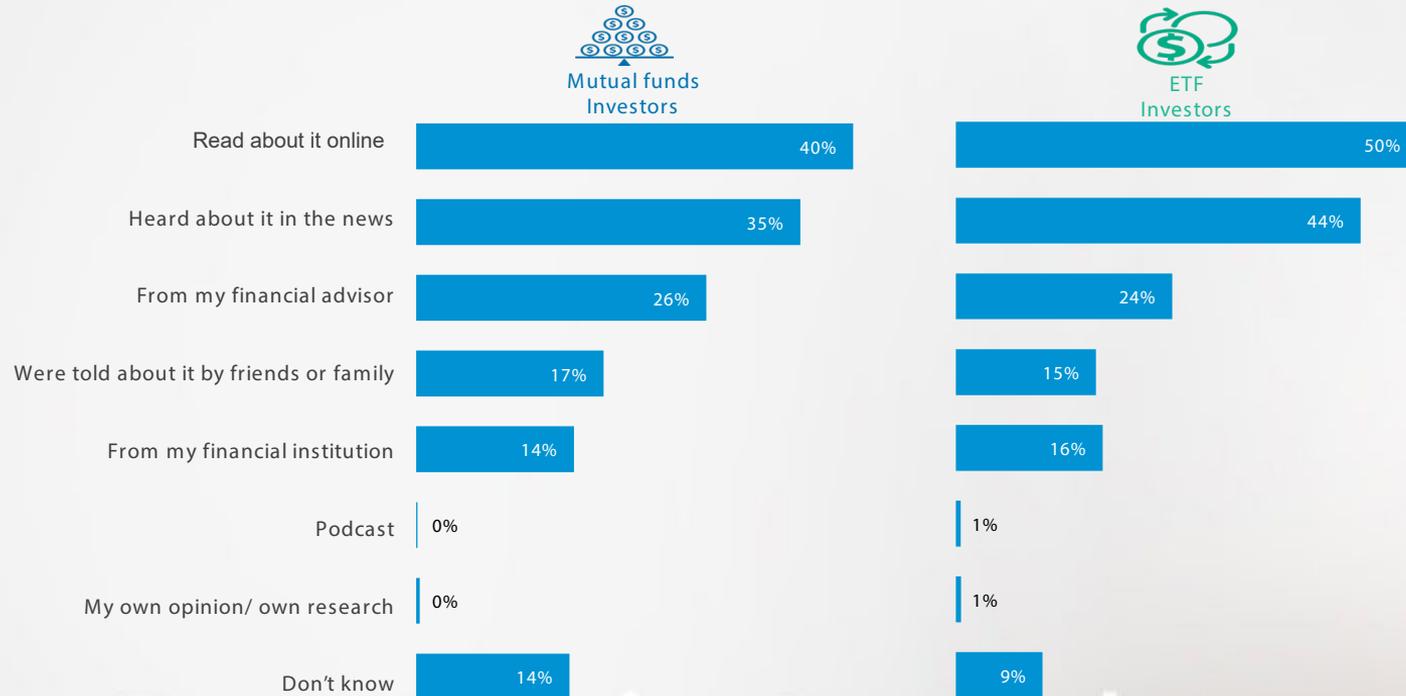
Q31. Responsible Investing: A strategy to incorporate Environmental, Social and Governance criteria in investment decisions. How would you say you are...?
Base: Web 2022 MF N=4045, Web 2022 ETFs N=1503

Strategic Insights

Sources of Information: Responsible Investing

Most investors who heard about Responsible investing gained the knowledge either through reading about it or hearing about it in the news.

- Two-fifths (40%) of the mutual funds and half of the ETF investors read about responsible investing online followed by consuming news about it.

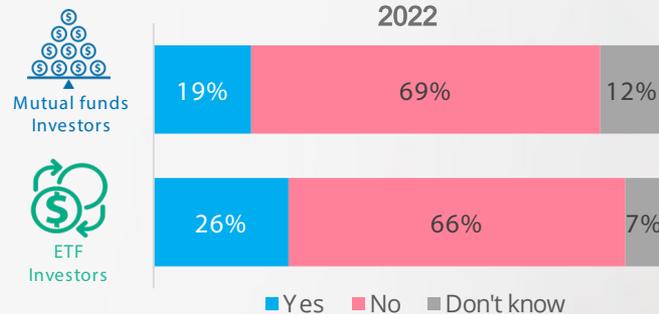


Asked about Interest in Responsible Investing

A minority of investors have been asked to include responsible investing in their portfolio

- Only a fifth of investors (mutual funds and a quarter for ETF) report that their advisor or financial institution has asked them if they are interested in responsible investing.
- **Asked about interest in responsible investing:** Younger investors (18-44).

Asked if interested in responsible investments (environmental, social and governance)

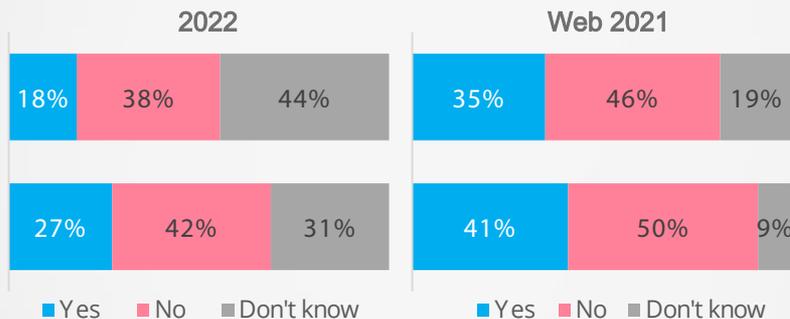


Inclusion of Responsible Investments in Portfolio

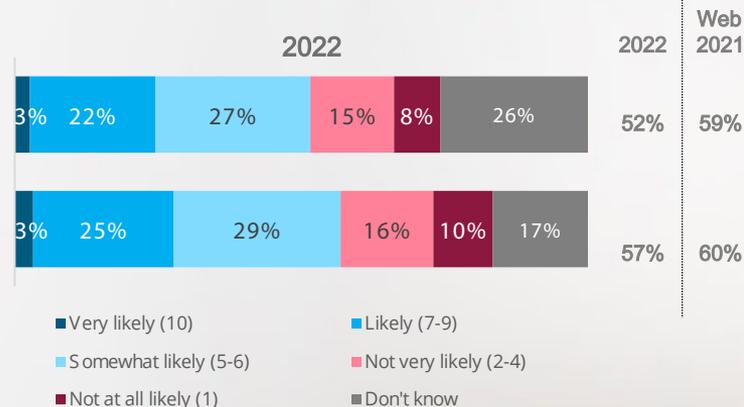
While a quarter of investors currently own responsible investments, a majority may include them in the future

- One-fifth (18%) of mutual funds investors and one-quarter (27%) of ETF investors currently own responsible investments. Two-fifth of mutual funds investors and one-third of ETF investors are not sure if they have responsible investments in their portfolio. While there has been a significant drop in the number of investors who have responsible investing, there has been a significant increase in the number who are not sure, which is a trend that will be watched in the future.
- More than half of both mutual fund (52%) and ETF (57%) investors who do not currently own responsible investments believe they may include these investments in their portfolio in the next couple of years. That said, only a quarter of both the mutual funds and ETF investors say this is likely (rated 7 to 10 – mutual funds investors 25%, ETF investors 28%). The number of mutual fund investor saying they would include responsible investments in their portfolio has gone down significantly by 7% since 2021 and it has slightly gone down for ETF investors (from 60% in 2021 to 57% in 2022).

Currently have funds for responsible investing in portfolio



Likelihood of including responsible investing in portfolio



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

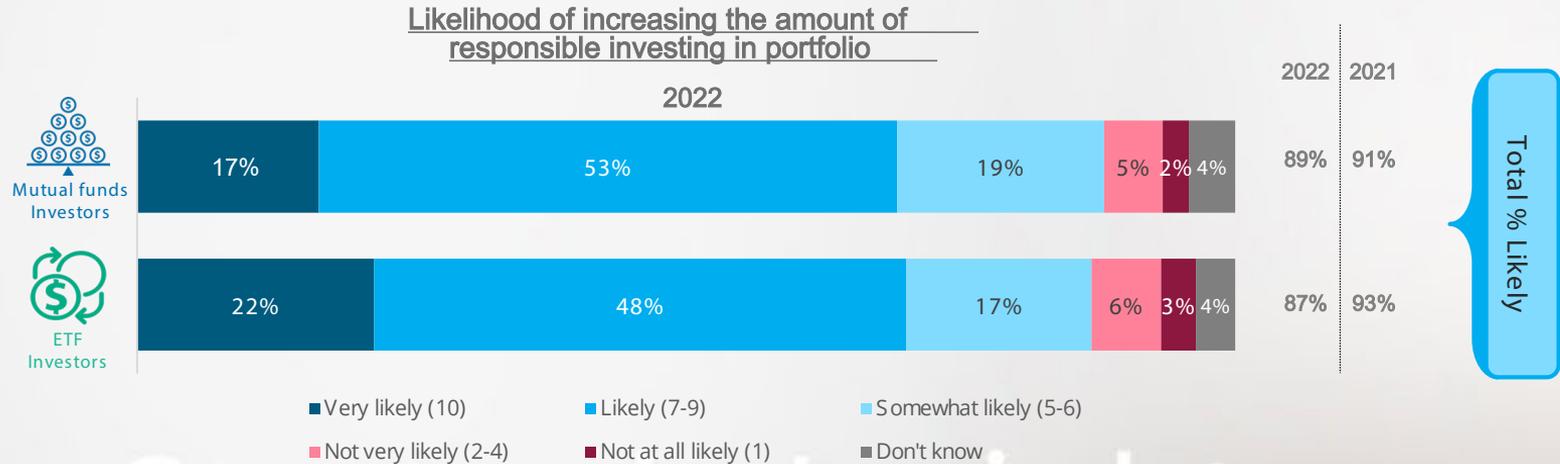
Total % Likely

Q33. Thinking of the funds that you own, are any of these funds Responsible investing/ESG investing/Sustainable Investing? Base: Mutual Funds N=4045, ETFs N=1503
 Q34. Using the following scale, how likely are you to include Responsible investing/ESG investing/Sustainable Investing into your investment portfolio over the next couple of years? Base: Does not own ESG funds: Web 2022 MF N=3299, Web 2022 ETFs N=1084

Addition of Responsible Investments

Majority of the investors who already own responsible investments are likely to increase the amount of these products in their portfolio over the next few years.

- The majority of all investors who currently include responsible investments in their portfolio expect to increase these products in the next few years, with almost nine-in-ten saying they may, and seven-in-ten of both the mutual funds (70%) and ETF (70%) investors saying this is likely.
- Compared to last year’s findings, mutual funds investors are slightly less likely to increase their responsible investments (down by -2%), and ETF investors also think this is less likely (down by -6%).

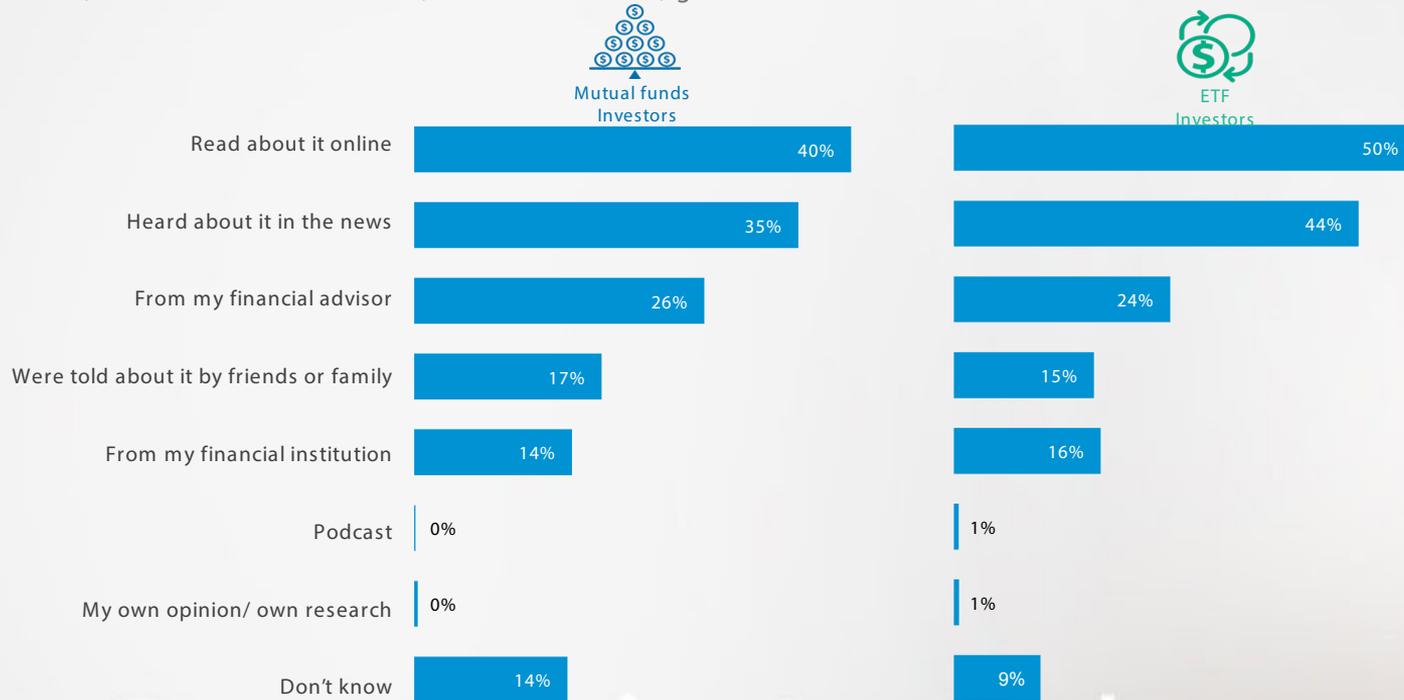


Q35. Using the following scale, how likely are you to increase the amount of Responsible investments/ESG investments/Sustainable investments you have in your investment portfolio over the next couple of years? Base: Owns ESG funds/Web 2022 MF N=746, Web 2022 ETFs N=419

Sources of Information: Responsible Investing

Most investors who heard about Responsible investing gained knowledge online or in the news, rather than through their advisor.

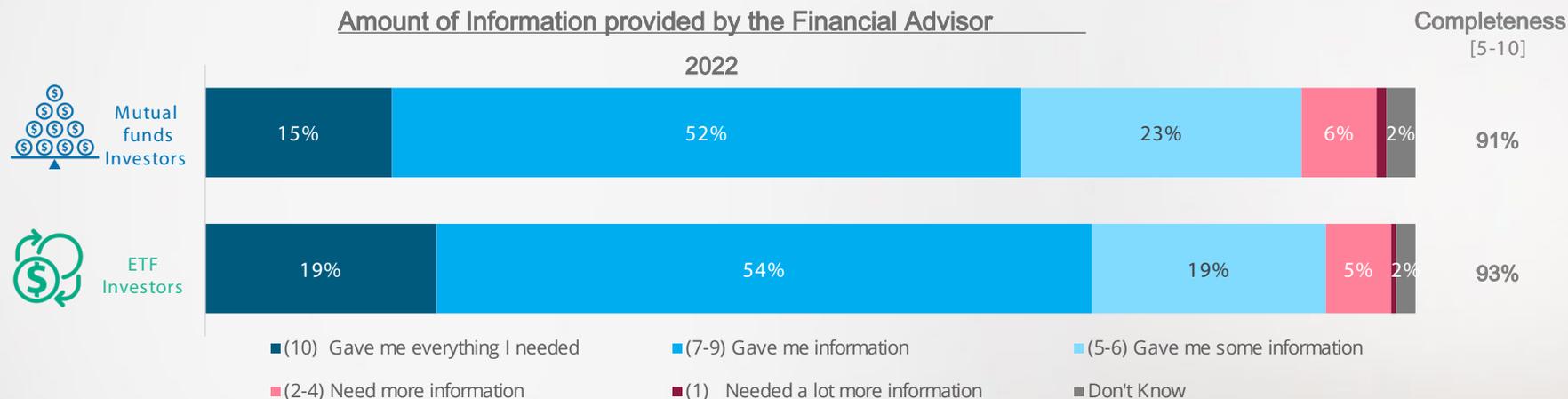
- Investors who have some knowledge about responsible investing are most likely to have read about it online (mutual fund investors 40%, ETF investors 50%) or heard about it in the news (mutual fund investors 35%, ETF investors 44%).
- Only one-quarter (mutual fund investors 26%, ETF investors 24%) got their information from their financial advisor



Completeness of Information Provided by Financial Advisor

Investors holding responsible investing products consider the information provided by advisors to be complete

- Of the one-quarter of investors who received information from their advisor, nine-in-ten of both the mutual funds (91%) and ETF (93%) investors report they received at least some information they were looking for about the responsible aspect of their investments from their financial advisor. However, less than one-fifth say they got everything they need.
- **Those who have everything they need:** Those who are knowledgeable, have large portfolios and are satisfied with their advisors.



Q39. How complete was the information about the Responsible/ESG/Sustainable aspects of your investments that was given to you/your financial advisor? In other words, did it give you all the information you needed, or were you left needing more? Base: Those who received information from Advisor Web 2022 MF: N=729; Web 2022 ETF N=296

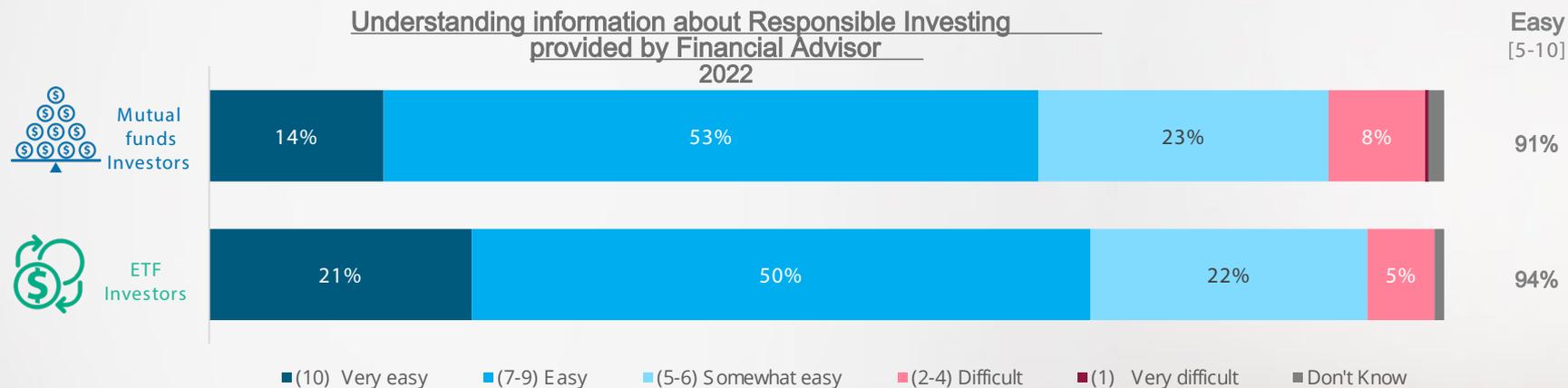
Understanding Information Provided by Financial Advisor

66

66

Majority of the investors are likely to say they understand the information about responsible investments provided by their financial advisor

- Of the one-quarter who received information from their advisor, more than nine-in-ten of the mutual fund (91%) and ETF (94%) investors reported that understanding information about responsible investments was easy (rating of 5-10).
- While one-fifth of ETF investors found this information to be very easy to understand, just over one-tenth of mutual funds investors felt the same.
- **Those understanding information:** Knowledgeable about their investments; and large portfolio.



Q38. How easy or difficult was it to understand the information about the Responsible/ESG/Sustainable aspects of your investment that was given to you by your financial advisor? Base: Those who received information from Advisor Web 2022 MF: N=729; Web 2022 ETF: N=296

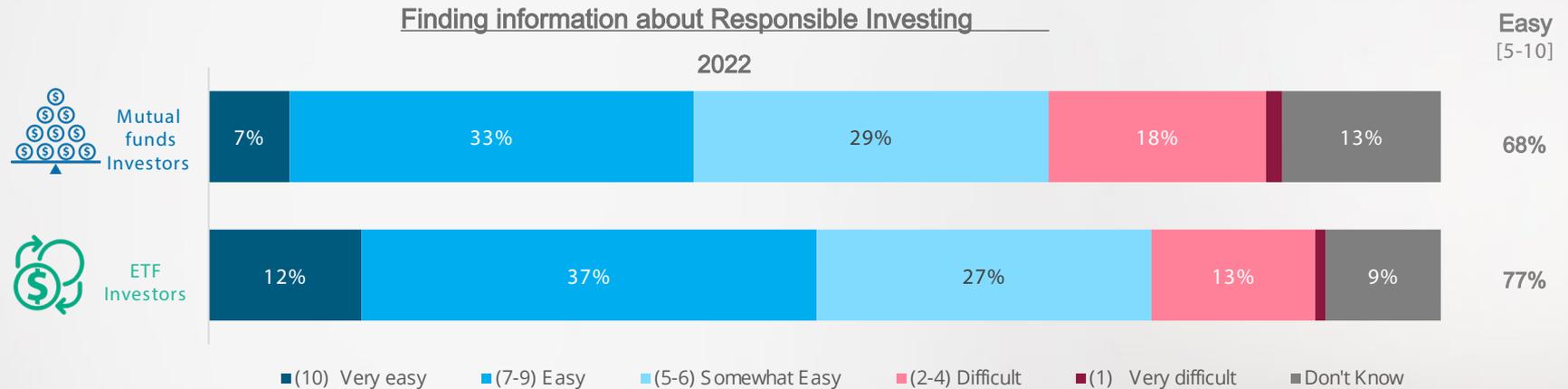
Strategic Insights

pollara
strategic insights

Finding information about Responsible Investing

Seven-in-ten investors who looked for information about responsible investing reported they easily found it

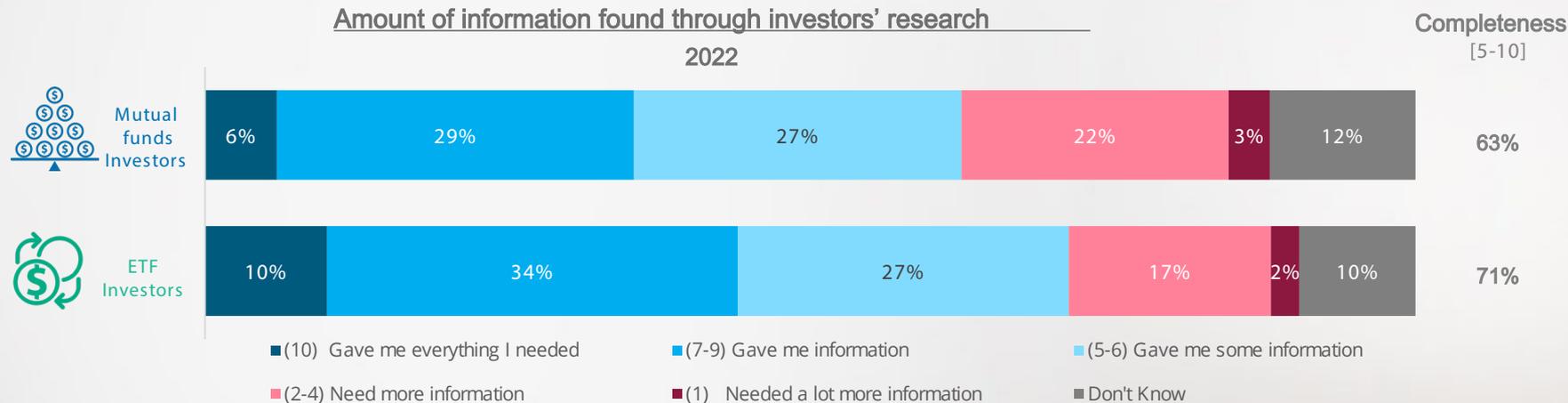
- While seven-in-ten (68%) of mutual funds investors who looked for it found it easy to find information about responsible investments, 77% of the ETF investors found it easy to do so. However, only one-in-ten said this was very easy.
- **Those who find it easy:** Investors who are less satisfied with their advisor.



Completeness of Information – From Own Research

When conducting their own research, amount of information is not nearly as complete.

- More than three-fifths (63%) of mutual funds investors and seven-in-ten (71%) of ETF investors reported having found complete information regarding responsible investments through their own research, but only one-in-ten got everything they needed. By comparison, more than nine-in-ten consider the information from their financial advisor to be complete, with one-fifth saying their advisor gave them everything they need.



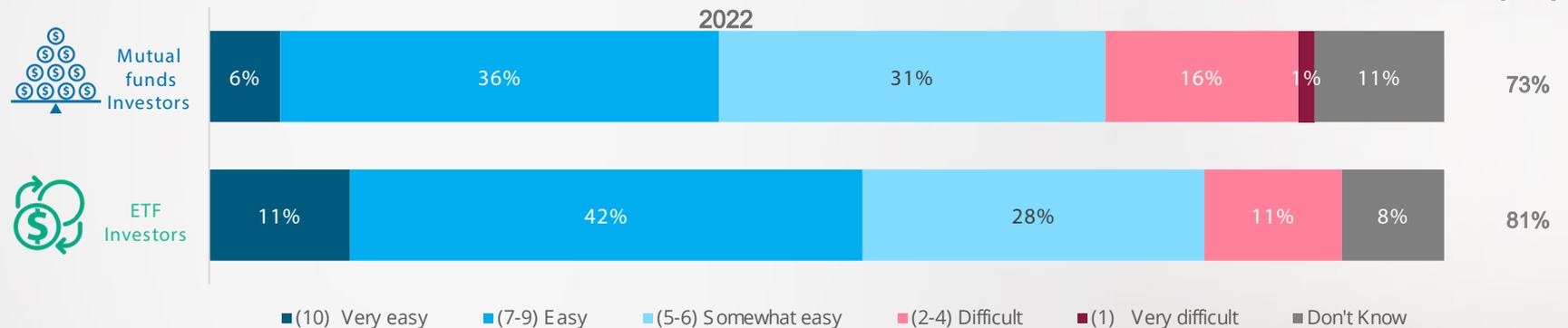
Q42. How complete was the information about the Responsible/ESG/Sustainable aspects of your investments that you found without your own research? In other words, did it give you all the information you needed, or were you left needing more? Base: Those who received information themselves Web 2022 MF N=1071; Web 2022 ETF N=603

Understanding Information – From Own Research

Investors are more likely to understand information they received from advisors than their own research

- More than seven-in-ten (73%) of mutual funds investors and four-fifths (81%) of ETF investors found the information they researched themselves easy to understand. More than half of ETF (53%) and two-fifths of mutual funds (41%) investors found the information to be somewhat to very easy to understand but few understood it completely. By comparison, more than nine-in-ten found the information provided by advisors to be easy to understand.
- **Those who find their information easy to understand:** Males; and knowledgeable about investing.

Understanding information about Responsible Investing found through investors' research

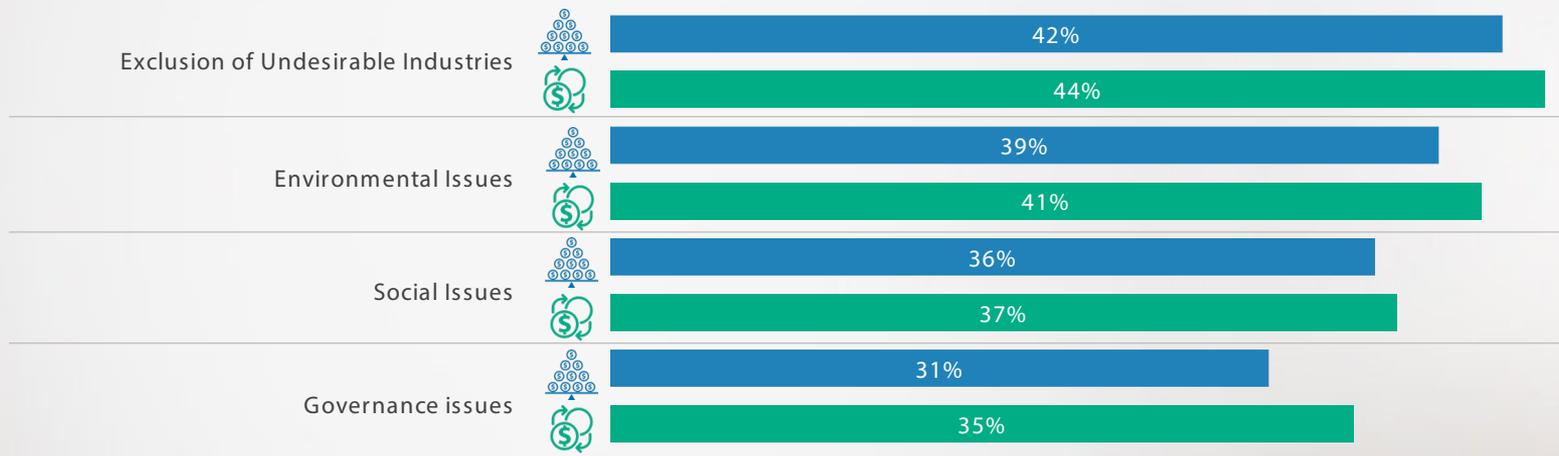


Issues considered while choosing an investment fund

When deciding on funds, exclusion of undesirable industries is most important, followed by environmental issues

- When those holding responsible investments were asked to rate the importance of issues when choosing their investments, more than two-fifths of both mutual fund (42%) and ETF (44%) investors said the exclusion of undesirable industries (such as weapons and tobacco) was very important. A similar number felt the same about environmental issues (mutual funds 39%, ETF 41%).
- Social issues were considered very important to one-third of responsible investment holders (mutual funds 36%, ETF 37%), with just slightly fewer saying the same of governance issues (mutual funds 31%, ETF 35%).

Very Important Ratings among Those Holding Responsible Investments *



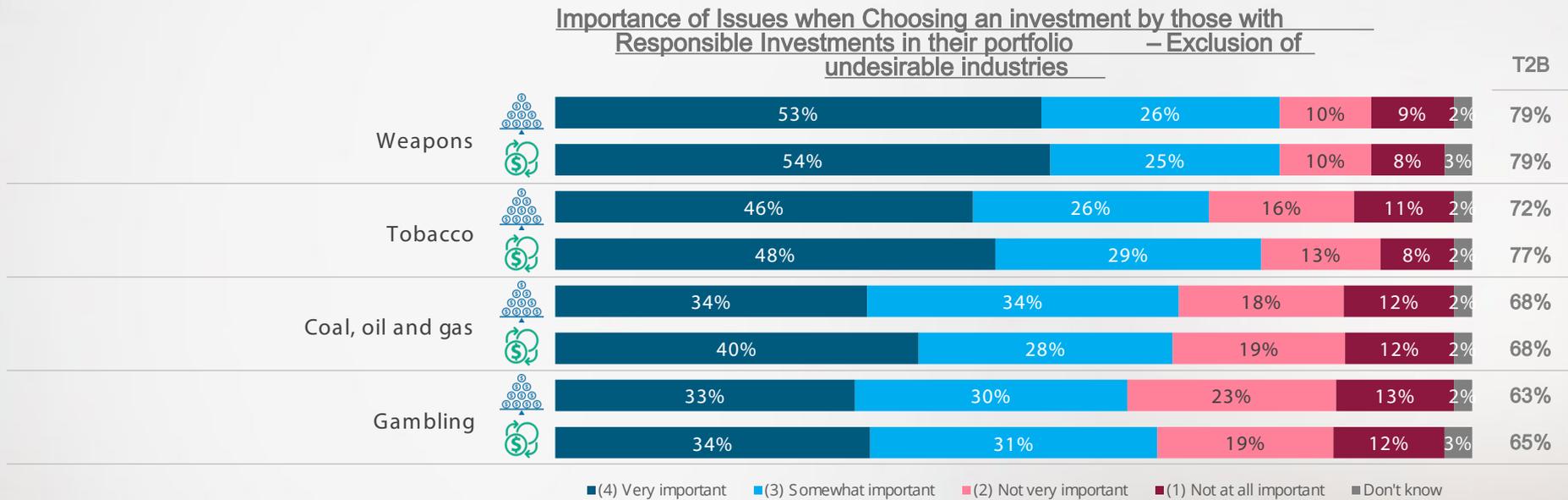
* Scores based on average Very Important ratings of factors included in each issue.

Q43-Q46. When choosing an investment fund, how important to you is it that the fund considers the following issues when investing in companies? Average of those choosing Very Important for each question category.
Base: Those who have Responsible Investments Web 2022 MF N=746; Web 2022 ETF N= 419

Issues considered while choosing an investment fund

Weapons rated as the most important issue to avoid when investing

- Four-fifths of both mutual funds (79%) and ETF (79%) investors said they would avoid funds that invest in weapons.
- The majority of investors would like to avoid funds that support most of the issues tested. Just close to two-thirds would like to avoid gambling (63% mutual funds, 65% ETF investors).

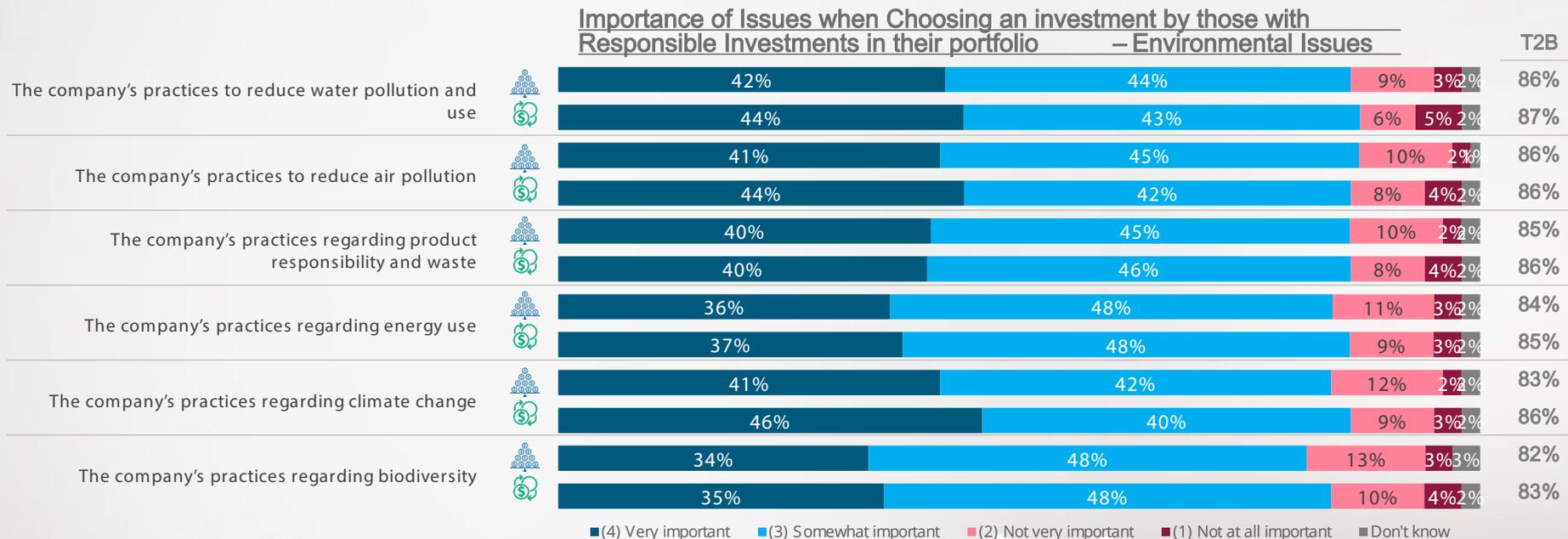


Q46. When choosing an investment fund, how important to you that you avoid funds that invest in the following:
 Base: Those who have Responsible Investments Web 2022 MF N=746; Web 2022 ETF N= 419

Issues considered while choosing an investment fund

Environmental issues are considered important to a majority of responsible investors and are rated equally to the social issues

- Overall, issues involving the environment are as important as social issues to responsible investors when choosing a fund.
- The company's practices to reduce water pollution and use is the most important issue for both mutual funds (86%) and ETF (87%) responsible investors followed by the company's practices to reduce air pollution and product responsibility and waste.
- ETF investors place slightly more importance on environmental factors when choosing funds than mutual funds investors.



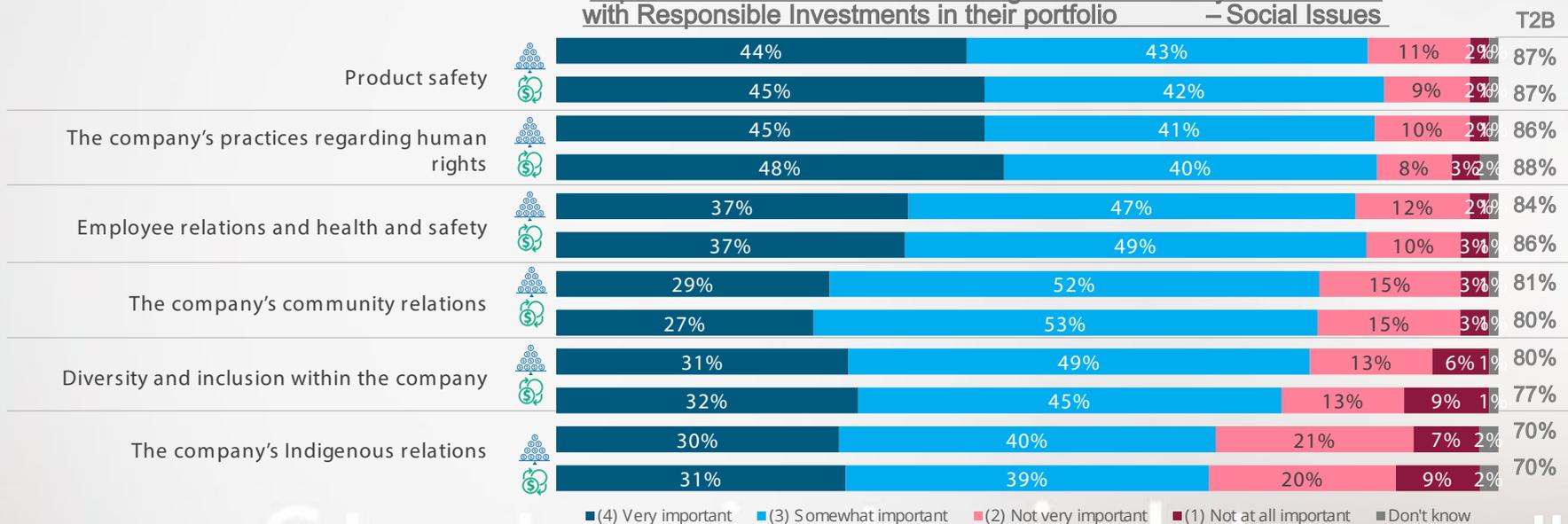
Q45. When choosing an investment fund, how important to you is it that the fund considers the following issues when investing in companies?
 Base: Those who have Responsible Investments Web 2022 MF N=746; Web 2022 ETF N= 419

Issues considered while choosing an investment fund

Social issues are important when deciding on funds, with product safety and human rights topping the list

- Close to nine-in-ten of both mutual funds (87%) and ETF (87%) responsible investors rated product safety as the most important aspect when choosing an investment fund, followed by the company's practices regarding human rights for both mutual funds (86%) and ETF (88%) investors.
- ETF investors place more importance on product and employee safety than do mutual funds investors.
- Seven-in-ten of the mutual funds (70%), as well as ETF (70%) investors, said the company's indigenous relations is an important issue, with diversity and inclusion being important to four-fifths (80% for MF and 77% for ETF investors).

Importance of Issues when Choosing an investment by those with Responsible Investments in their portfolio – Social Issues



■ (4) Very important ■ (3) Somewhat important ■ (2) Not very important ■ (1) Not at all important ■ Don't know

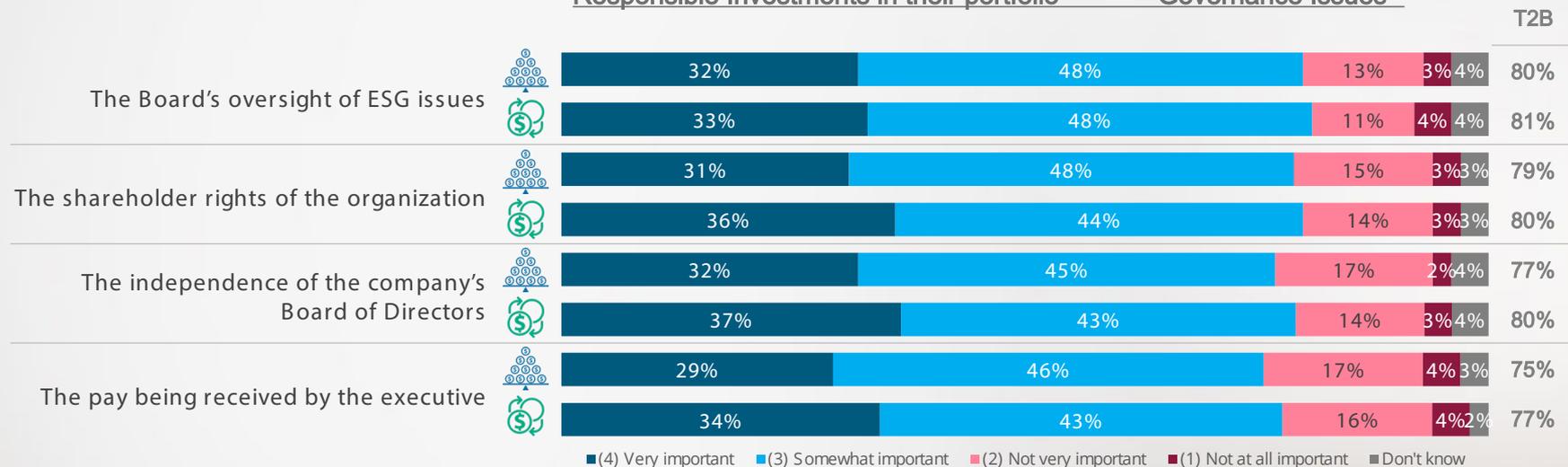
Q44. When choosing an investment fund, how important to you is it that the fund considers the following issues when investing in companies?
 Base: Those who have Responsible Investments Web 2022 MF N=746; Web 2022 ETF N= 419

Issues considered while choosing an investment fund

Governance issues score just slightly lower than Environmental and Social issues when it comes to importance

- ETF investors are likely to find each issue to be slightly more important, compared to mutual funds investors.
- Board oversight of ESG issues is the most important issue for both mutual funds (80%) and ETF (81%) responsible investors followed by Shareholder rights and independence of the company's Board of Directors.
- The pay received by executives has been rated as the least important by both mutual funds (75%) and ETF (77%) investors.

Importance of Issues when Choosing an investment by those with Responsible Investments in their portfolio – Governance Issues

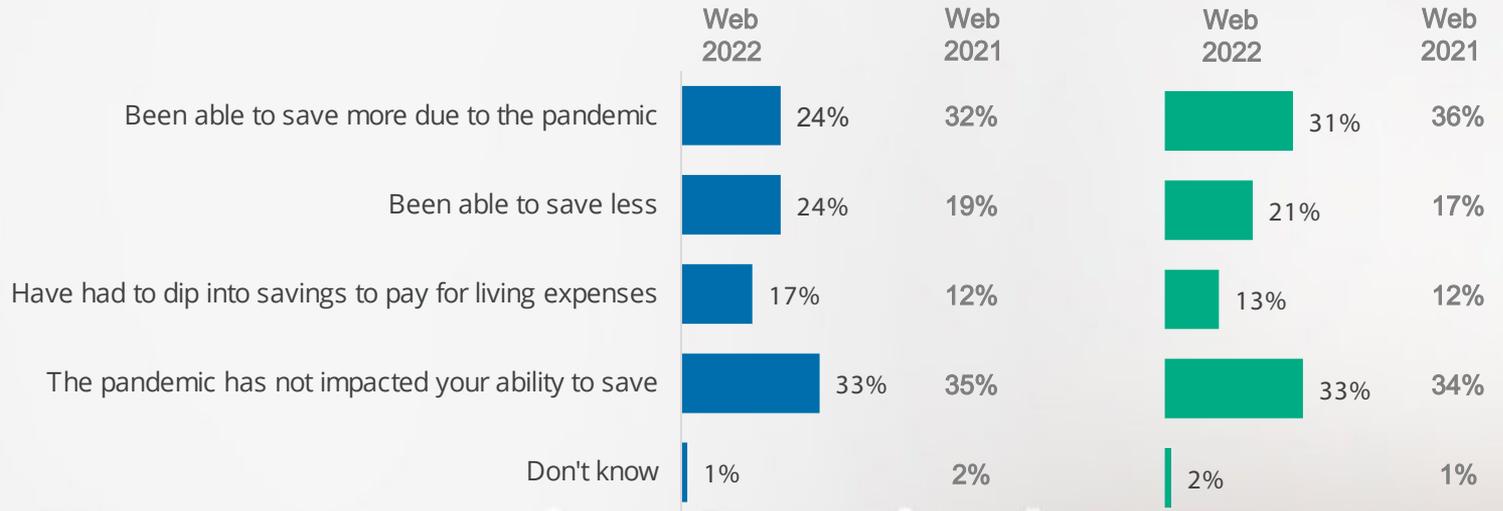


Impact of Current Economic State on Investors

Impact of COVID-19

Investors saved less this year as a result of the pandemic compared to 2021

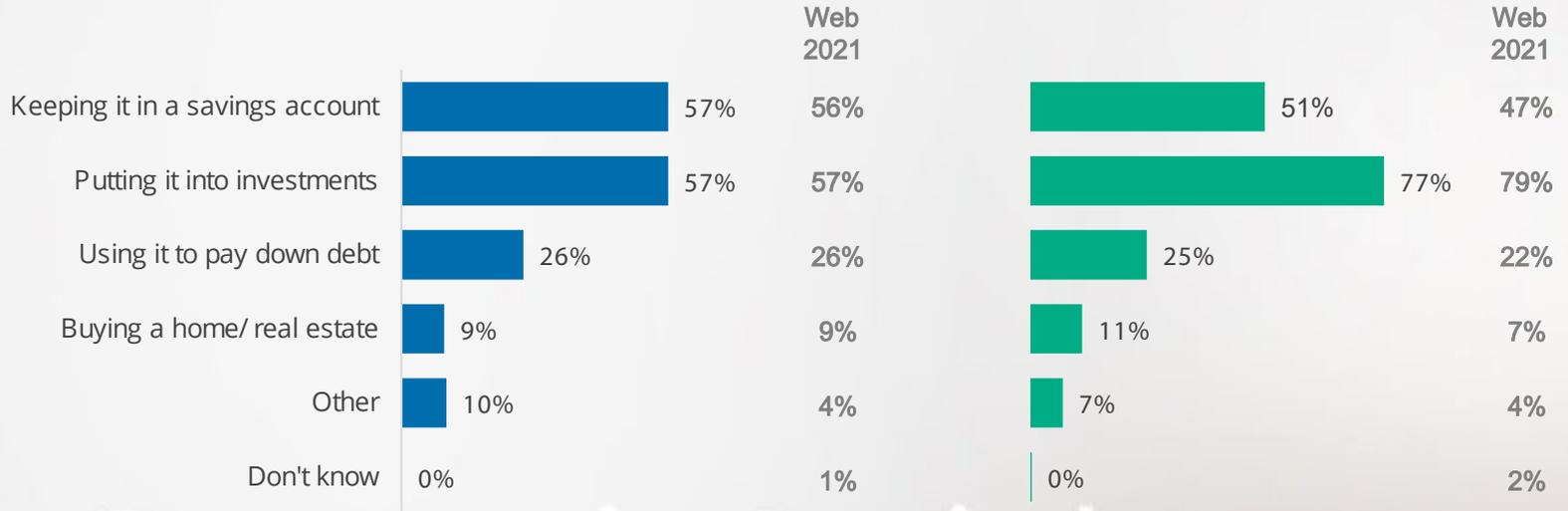
- Mutual funds investors have been harder hit than ETF investors, with two-fifths (41%) saying they were able to save less this year (24% saving less, 17% dipping into their savings), while only a quarter were able to save more. This compares to 31% who saved less and 32% who saved more last year.
- One-third (34%) of ETF investors were able to save less this year (21% saved less, 13% dipping into savings), while 31% saved more. This compares to 29% who saved less and 36% who saved more in 2021.
- **Profile of investors who saved more:** University graduates; and income more than \$100k.



Plans for Extra Savings

Most ETF investors plan to put their extra savings into investments, similar to last year

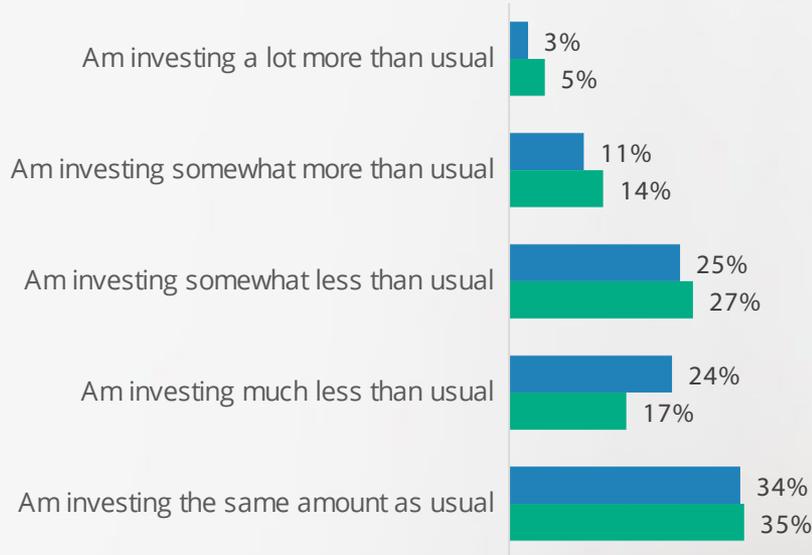
- Of those who saved more, three-fifths of the mutual funds (57%) and three-quarters of the ETF (77%) investors are planning to put their extra savings into investments.
- Three-fifths (57%) of the mutual funds and half (51%) of the ETF investors plan to keep their savings in a savings account, while a quarter of both the mutual funds (26%) and ETF (25%) investors plan to use it to pay down their debt. Results are similar to last year.
- **Profile of investors putting extra savings into investments:** Knowledgeable; younger and middle aged (18-64 years old); income more than \$50k; and do not own home.



Impact of Inflation on Current Investing

Inflation has had an impact on investing with half saying they are investing less than usual

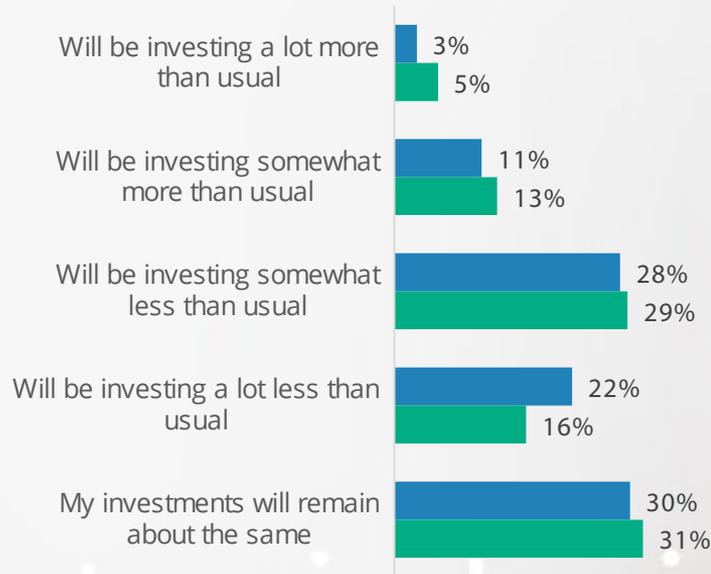
- 49% of mutual fund investors and 44% of ETF investors are currently investing less than usual due to inflation.
- Mutual funds investors are seeing the biggest cut, with 24% investing much less than usual (compared to 17% of ETF investors).
- Less than one-fifth are currently investing more than usual (14% mutual funds investors, 19% ETF investors).
- **Those investing much less:** Women; modest investors; lower level of investing knowledgeable; and investors not satisfied with their advisor.



Impact of Inflation on Future Investing

The decline in investing is expected to last into the next year

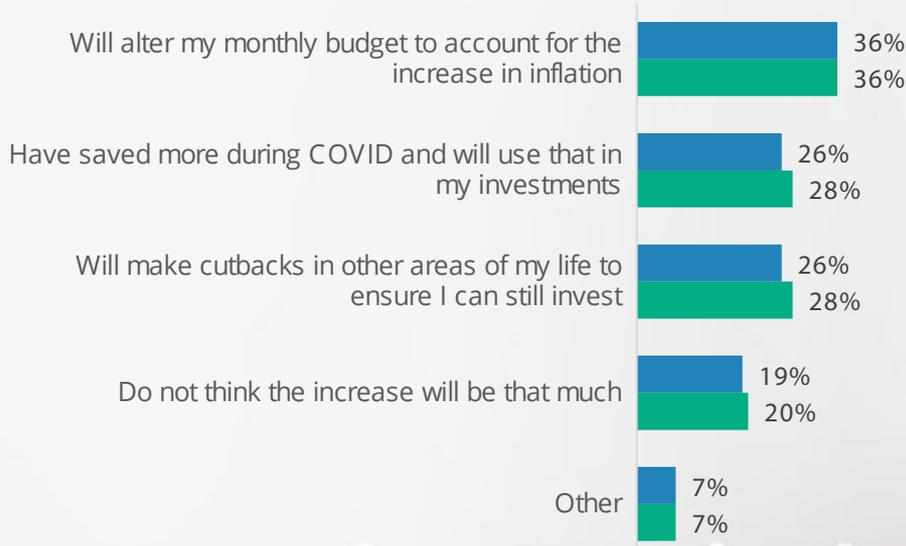
- With half of mutual funds (50%) and more than two-fifths of ETF (45%) investors are planning to invest less than usual next year due to inflation, investors expect their behaviours to remain consistent over the next year. Mutual funds investors will continue to be the hardest hit, with 22% saying they will be investing much less compared to 16% of ETF investors.
- **Those planning on investing much less:** Women; lower level of investing knowledgeable; and investors not satisfied with their advisor.



Investing Despite Inflation

Those who plan on investing more or the same amount despite inflation are most likely to alter their monthly budget

- A third of both mutual funds (36%) and ETF (36%) investors will alter their monthly budget to invest more next year.
- A quarter plan to make cutbacks in other areas or use savings accumulated during COVID.
- A fifth do not expect much inflation.
- **Most likely to alter their budget:** Modest investors.



Lesli Martin
Senior Vice President, Public Affairs

LesliMartin@pollara.com

416.707.9770

pollara
strategic insights