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IFIC and Pollara Release the 2018 Canadian Mutual Fund Investor Survey *Annual survey measures investor confidence and understanding*

September 27, 2018 (Toronto) – The Investment Funds Institute of Canada (IFIC) and Pollara Strategic Insights today released the results of their annual survey of mutual fund investors – the Canadian Mutual Fund Investor Survey. In each year since 2006, IFIC has engaged Pollara to conduct the survey.

The survey was initiated to provide better data around the attitudes and opinions of Canadian mutual fund holders, to identify their needs, expectations, behaviours, and opinions, and to track these over time. The research provides helpful insights into a number of issues including: methods of purchasing mutual funds, the advisor's role, use of alternative purchase channels, impressions regarding fees, and the use and perceived value of CRM2 statements.

"IFIC invests heavily in research to understand the interaction of policy, regulation and market forces, and this research forms the foundation of IFIC's evidence-based insights," said Paul Bourque, President and CEO, IFIC. "A key take away from this year's Pollara study is that, despite positive results in some areas related to fee understanding, there is room for improvement with the annual reports on fees and performance that investors receive. These results underscore how important it is for us to continue to focus our energies on improving disclosure effectiveness."

"This year's study found that confidence in mutual funds has reached the highest point in the past 13 years of our annual tracking research," stated Craig Worden, President of Pollara Strategic Insights. "It is notable that investor confidence is reaching such heights while we are also finding that mutual fund investors are significantly more aware of CRM2."

With respect to fee understanding and CRM2 statements, 7 in 10 investors are confident that they understand their mutual fund fees. While investors say they had fewer general conversations about fees and commissions compared to last year, specific conversations about fees paid to the firm and MERs have increased and have consistently increased since the beginning of CRM2. 84% of mutual fund investors who have read their statements report that their CRM2 statements "*clearly show the rate of return on my account*".

However, there was a 10% decrease in the number of investors who say the reports are easy to understand (down to 72%) and an 8% decrease in the number who say the statements provide all the necessary information (down to 74%). While there was a slight improvement from last year in those that say the statements "*clearly show fees I pay to my advisor's firm or dealer firm*" it remains an overall low number, at 53%.

Key Findings:

- Mutual funds continue to outperform other financial products by wide margins when it comes to investors' confidence in the product's ability to help them reach their financial goals – at 89%, this is an all-time high.

- 85% of people who purchase mutual funds continue to do so through an advisor.
- Investors continue to place a strong value on advice and have high levels of trust in their advisor. 76% of mutual fund investors report having used their advisor in the last year for either investment planning, financial planning, or retirement planning. A vast majority agree their advisor is worth their fees and that they encourage them to have better saving and investing habits.
- The majority of investors with advisors continue to prefer their advisor is paid through mutual funds fees. This proportion has increased slightly from 53% last year to 59% this year – the highest level seen since tracking on this question started in 2013.
- Usage of and interest in online tools such as robo-advisors continues to be low, with 23% of mutual fund investors aware of robo-advisors and 3% having used one.

As in previous years, Pollara conducted live-interviewer telephone interviews with approximately 1,000 randomly-selected mutual fund holders eighteen years of age or older who make all or some of the decisions regarding mutual fund purchases in their household.

To access the full Canadian Mutual Fund Investor Survey, please visit IFIC.ca or pollara.com.

About IFIC

The Investment Funds Institute of Canada is the voice of Canada’s investment funds industry. IFIC brings together 150 organizations, including fund managers, distributors and industry service organizations, to foster a strong, stable investment sector where investors can realize their financial goals. By connecting Canada’s savers to Canada’s economy, our industry contributes significantly to Canadian economic growth and job creation.

About Pollara Strategic Insights

Founded in 1980, Pollara Strategic Insights is one of Canada's premier full-service research firms – a collaborative team of senior research veterans who are passionate about conducting research through hands–on creativity and customized solutions. Taking full advantage of their comprehensive toolbox of industry-leading quantitative and qualitative methodologies and analytical techniques, Pollara provides research-based strategic advice to a wide array of clients across all sectors on a local, national, and global scale.

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