

**For Immediate Release
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Canadian securities regulators publish research on investor knowledge, attitudes and behaviour

Vancouver – The Canadian Securities Administrators (CSA) today [published findings](#) from a four-year [research study](#) that measured what investors know and think about fees and the performance of their investments, and how they interact with advisers.

The research found improvements between 2016 and 2019 in 40 per cent of the issues examined, particularly in knowledge about fees.

Two CSA reforms prompted this study. The Client Relationship Model (CRM2) required advisers to provide enhanced relationship disclosure information, pre-trade disclosure of adviser fees and other charges, expanded account statements, annual reports on investment performance, and annual reports on charges and compensation. The Point of Sale (POS) rules required that investors be given plain language information, including an easy-to-understand Fund Facts document about a mutual fund prior to purchase. The amendments took effect in phases from 2014 through 2016, and the CSA announced plans to study the impact of these reforms in August 2016.

“This research provides us with valuable insight into the mind of the Canadian investor,” says Louis Morisset, Chair of the CSA and President and CEO of the Autorité des marchés financiers. “We’re seeing that Canadians are gaining more confidence in navigating the marketplace. However, there is room for substantial improvement in the investing experience, especially in understanding the impact of fees on investment returns.”

The research included one baseline survey by Ipsos Public Affairs in 2016 of about 3,500 Canadian investors, followed by six successive waves of surveys, each with about 2,000 respondents, conducted by Innovative Research Group. Each survey included 50 questions that collected information on over 150 measurable items.

More investors in 2019 said they had a better understanding of the impact of fees on investment returns than in 2016 (51 per cent in 2019 vs. 41 per cent in 2016). That growing self-confidence was borne out by the increase (from 43 per cent to 51 per cent) in the portion of respondents who are aware that they pay fees for the operation, management and/or administration of their investment account. Nevertheless, almost half of Canadian investors are not aware of such fees, and the same is true of indirect fees (such as payments made by investment funds to dealers).

Investors across Canada also reported being more confident in monitoring and assessing the performance of their investments. There was an increase in investor confidence in monitoring the change in value of their investments over time (86 per cent very confident or somewhat

confident in 2019, up from 80 per cent in 2016) and in assessing whether their investments were on track to reach their financial goals (82 per cent, up from 76 per cent).

Overall, there was a mild decline in investors' satisfaction with their advisers. However, four out of five Canadian investors still report being "satisfied" or "very satisfied" with their adviser in 2019.

In some areas, progress is fleeting or non-existent. After two years of increases, 2019 saw a decrease to 44 per cent – almost to 2016 levels – in the portion of respondents who said their adviser discussed fees with them before buying an investment product in the previous 12 months. There was no evidence that advisers are more frequently recommending lower-cost options.

Other influences besides the CRM2 and POS reforms – such as investment firms' advertising, news media coverage of retail investing, and growing interest in low-cost funds – may have contributed to the changes in investors' knowledge, attitudes and behaviour found over the study period.

The insights gleaned from the research will help inform future CSA policy-making and educational efforts to improve the investing experience for Canadians.

The [research reports](#) can be found on participating CSA [members' websites](#).

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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For Investor inquiries, please refer to your respective securities regulator. You can contact them [here](#).

For media inquiries, please refer to the list of provincial and territorial representatives below or contact us at media@acvm-csa.ca.

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