

Earning Investors' Trust: Focus on Canada

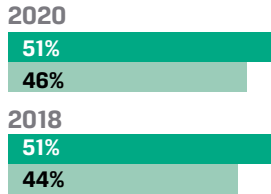


Information Is Essential

Trust and confidence in the financial system is strong, although belief in advisers' ability to deal with a crisis is declining.

TRUST IN THE FINANCIAL SERVICES INDUSTRY

■ Canada ■ Global

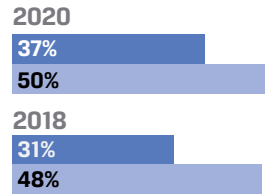


Innovation and Tech Enhance Trust

Trust in the industry is driven by technological innovation, as well as the human touch that advisers provide.

IMPORTANCE OF ACCESS TO TECH VS ADVISER

■ Canada ■ Global

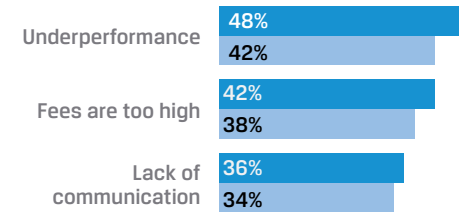


Investors Want Greater Influence and Control

Performance, personalization, and social impact are high priorities for investors.

CONSIDERATIONS TO LEAVE AN ADVISER

■ Canada ■ Global



CONFIDENCE IN RECEIVING STATE-SPONSORED PENSION BENEFITS



INVESTORS WOULD CONSIDER THE USE OF AI TO SELECT INVESTMENTS



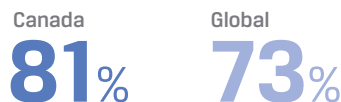
HAVE INTEREST IN PERSONALIZED INVESTMENT PRODUCTS



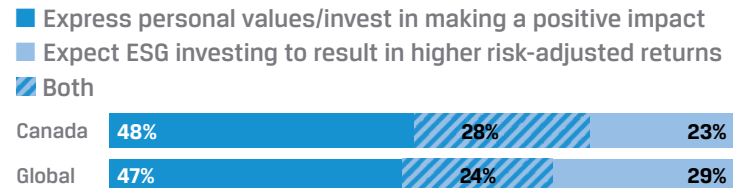
BELIEVE THEIR INVESTMENT FIRMS ARE WELL PREPARED TO MANAGE THEIR PORTFOLIO THROUGH A CRISIS



TRUST INVESTMENT ADVICE FROM HUMANS OVER ROBO-ADVISERS



REASON TO INVEST IN ESG



Credibility and Professionalism

How Investment Professionals and Firms Can Take Action



Canadian investors indicated they were most concerned with the following investment risks: 48% - Trade Wars, 29% - Emerging Political Risks, and 26% - Canadian Household Debt.

CREDIBILITY

- 1 MAINTAIN STRONG BRAND IDENTITY AND FOLLOW THROUGH ON BRAND PROMISES

PREFERENCES WHEN HIRING AN INVESTMENT FIRM

■ People that can be counted on ■ A trusted brand

Canada



Global



- 2 EMPLOY PROFESSIONALS WITH CREDENTIALS FROM RESPECTED INDUSTRY ORGANIZATIONS

SATISFIED WITH THE LEVEL OF CREDENTIALING IN THE INDUSTRY



- 3 STAY FOCUSED ON BUILDING A LONG-TERM TRACK RECORD TO DEMONSTRATE COMPETENCE AND DELIVER VALUE

IMPORTANT THAT ADVISER GENERATES RETURNS SIMILAR TO OR BETTER THAN A TARGET BENCHMARK



- 4 ADOPT A CODE OF CONDUCT TO REINFORCE YOUR FIRM'S COMMITMENT TO ETHICS

TRUST ADVISER MORE IF THEY COMPLY WITH A VOLUNTARY CODE OF CONDUCT



PROFESSIONALISM

- 5 IMPROVE TRANSPARENCY AND CLARITY REGARDING FEES AND CONFLICTS OF INTEREST

LEVEL OF ADVISER TRANSPARENCY

■ Very transparent ■ Transparent ■ Not transparent

Conflicts of Interest



Fees



- 6 USE CLEAR LANGUAGE TO DEMONSTRATE THAT CLIENT INTERESTS COME FIRST



- 7 SHOWCASE YOUR ONGOING PROFESSIONAL DEVELOPMENT TO IMPROVE INVESTMENT KNOWLEDGE



- 8 DEMONSTRATE YOUR DEDICATION TO THE VALUES THAT CLIENTS HOLD DEAR



ABOUT THE SURVEY

In 2019, CFA Institute and Greenwich Associates conducted a global survey of 3,525 retail investors and 921 institutional investors, including 500 retail investors and 35 institutional investors from Canada. Retail investors were 25 years or older with investible assets of at least US\$100,000. Institutional investors included individuals responsible for investment decisions with at least US\$50 million assets under management, from public and private pension funds, endowments and foundations, insurance companies, and sovereign wealth funds. **For more information, visit trust.cfainstitute.org**

