

Know Your ETF Investor

As an advisor, you know you need to understand your clients and prospects to deliver solid advice, good service and great products. CETFA knows this too. So CETFA worked with Credo Consulting to identify key attributes of ETF investors.

35 to 44 Cohort



35 to 44



Who They Are

This cohort is a self-confident and resilient group with greater than average likelihood to feel it has the knowledge needed to build financial security. It is the second most-likely cohort to say that too much time is spent with money.

Like those 25 to 34, almost one-quarter (22%) are employed in mining, quarrying, oil and gas extraction – the highest sector of employment by far. This may reflect an orientation to exploration and an appetite for taking risk.



Represent **16%** of all ETF investors

Finances

Sole financial responsibility: **78%**



Manage finances without guidance

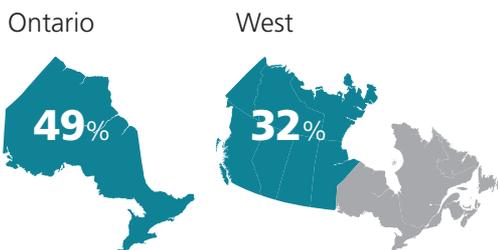
Receives guidance from financial professionals

ETF Owners 35–44

Personal



Location



Employment & Education



88% Employed full-time

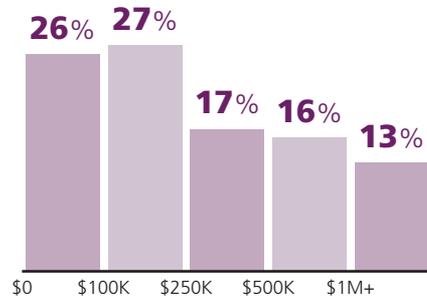


44% Undergraduate



32% Graduate

Portfolio Size



Numbers may not equal 100%. Many respondents did not answer this question, especially those 55+.

Slightly less likely to have advice: **15%** vs. **17%** out of all others

“Life priorities guide my money”

11% strongly agree

ETFs

19% own ETFs vs. **16%** out of all others

Future use of ETFs:



Please Turn Over



How They Think/Behave*

- Manage own finances: **52%**
- Take financial risks: **46%**
- Like taking financial risk: **48%**
- Maximize tax-advantaged vehicles: **40%**
- Regularly check progress to financial goals: **39%**
- Only robo-advice: **20%**
- Financial jargon “confusing”: **36%**
- Has DIY knowledge: **95%**
- Good grasp of finances needed for life stage: **96%**
- Has FA, does own research: **7.1x** vs. **5.3x** for all others

*% = Strong + medium agreement combined.



ETF Appeal†

- Low acquisition cost: **95%**
- Closely track index designed to follow: **95%**
- Easy to work with: **94%**
- Trade like a stock: **91%**
- Deliver diversification in simple way: **91%**
- Low MERs: **89%** (very appealing: **66%**)
- Deliver performance: **88%**
- Very liquid: **86%**
- Easy to understand: **86%**
- Passive options available: **81%**

†Strong + medium agreement combined. Ranking reflects percentage reporting cited attribute.



ETFs: Men & Women

Consideration	Men	Women
Use because FA recommends - agree + strongly agree	46%	38%
Appeal: If FA feels appropriate for client's needs - moderately + very appealing	87%	50%
Appeal: Performance - very appealing	21%	50%
Appeal: Low MER - very appealing	46%	50%
Offer as much opportunity to diversify as MF - agree	46%	38%



Target Marketing Potential

More willing to take financial risks, this cohort offers high-potential with a long tail of marketing dividends.



ETF Investors & Inheritances

A higher proportion of those 35–44 who own ETFs (**26%**) expect to receive an inheritance vs. **18%** who don't.

About the Data

Credo Consulting and Transcontinental (TC) have surveyed a representative panel of 1,000 Canadian investors monthly since 2015. The Financial Comfort Zone (FCZ) study has captured data from 36K+ investors, including 2K+ who own ETFs. It analyses key attributes of ETF investors and non-investors.

All data generated by Credo Consulting and TC and valid as of March 2019.
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About CETFA

The Canadian ETF Association (CETFA) is the national voice of Canada's ETF industry, representing 97% of the \$160B+ invested in Canadian-listed ETFs. CETFA works with its members and regulators to adopt best practices and standards and works to educate Canadians on how best to use ETFs.

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